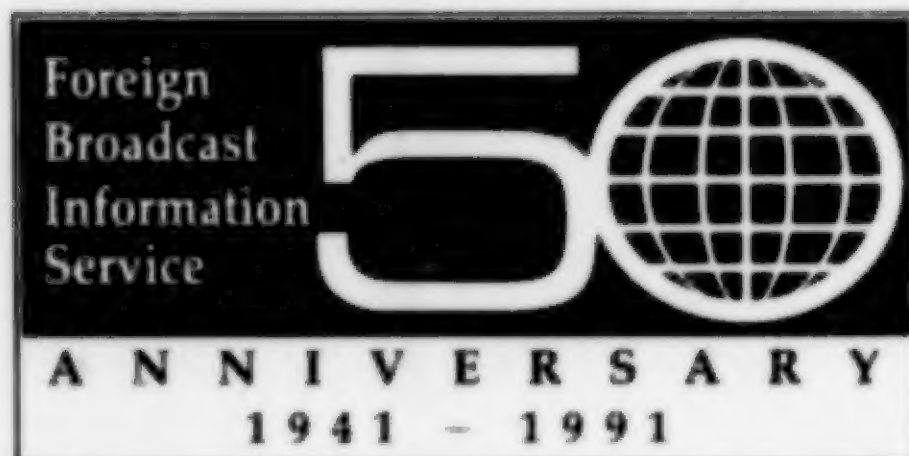




Daily Report

Annex

East Asia

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East Asia ANNEX

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ANNEX

1

Japan

Reaction to Gorbachev's Summit Presence Viewed

OW0606132291 Tokyo JIJI in English 1250 GMT
6 Jun 91—FOR OFFICIAL USE ONLY

[Text] Tokyo, June 6 (JIJI PRESS)—A government source indicated Thursday Japan will not strongly oppose a plan to invite Soviet President Mikhail Gorbachev to join the London summit of Western leaders in mid-July.

If the other six industrial nations favor Gorbachev's presence at the summit, Japan cannot hold on tight to its policy of objecting to such a plan, said the source who asked not to be named.

Leaders from the world seven industrial nations—the United States, Japan, Germany, Britain, France, Italy and Canada—will meet in the capital of Britain July 15-17.

Touching on financial assistance to the Soviet Union, the source said Japan will watch how the other six countries will deal with the issue before deciding its stance.

Further on USSR Call for Reconstruction Aid

OW0606080691 Tokyo ASAHI SHIMBUN
in Japanese 5 Jun 91 Morning Edition p 2—FOR
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[Text] It was disclosed on 4 June that the Soviet Union, which is seeking aid from Western nations for the reconstruction of its domestic economy, had unofficially asked Japan for cooperation. The request was received through a the Liberal Democratic Party [LDP] dietman.

Michio Watanabe, former policy research council chairman of the LDP, touched on the Soviet request at a lecture meeting held in Tokyo. According to Watanabe, Dietman Koji Kakizawa (LDP defense council chairman and a member of the Watanabe faction), who visited the United States late last month, met with one of the Soviet president's economic think-tank figures, who was also visiting the United States at that time. During the meeting, Kakizawa was informed of Soviet intentions that it would like to: 1) Seek a total of some 200 billion dollars in economic aid from all Western nations over a period of five years; and 2) ask Japan for cooperation in obtaining the understanding of each country at the London summit (summit meeting of major developed countries) slated for July.

In this connection, Soviet Presidential Envoy Primakov, who visited the United States late last month, called on the Western world for aid of "\$250 billion over five years." He made this request during his meeting with the managing director of the International Monetary Fund (IMF).

Regarding Mr. Watanabe's remarks, Koji Watanabe, director general for public information and cultural affairs of the Foreign Ministry, said at a news conference held on the evening of 4 June, that "we have heard of the fact that the Soviet Union is looking for aid from the free nations but are not aware of the actual amount of \$200 billion." Thus, he explained the view that it was not an official request for cooperation that had been made to the Japanese Government.

Kaifu Interview on Rice Trade, Arms Imports

OW0406013591 Tokyo EKONOMISUTO in Japanese
28 May 91 pp 12-17—FOR OFFICIAL USE ONLY

[Interview with Prime Minister Toshiki Kaifu by Kenji Suzuki in Tokyo on 9 May, entitled: "Rice Issue Moving Toward Settlement This Year"]

[Text] [Suzuki] Mr. Prime Minister, you have held talks with U.S. President Bush five times in the last year and a half. We gather from television coverage that you have very close relations with him. Do you get along well with Bush?

[Kaifu] He is a senior to me, so it may be a bit impolite to say that we get along well. I find him easy to talk to. He has welcomed me warmly since the beginning. I was selected to the post of party president under conditions of which you are aware. I was the third Japanese prime minister with whom he met in a year. Moreover, since I was not on familiar terms with U.S. Government officials, although I knew several U.S. congressmen, the President was probably making an extra effort to put me at ease during our first meeting.

When I became president of the Liberal Democratic Party [LDP], my public statements affirmed that I would carry out my tasks without artifice. I stuck to this position I went to the United States and was able to feel that my position evoked a response in the President's heart right away.

I Hesitated to Call Him George

[Suzuki] Your first meeting was on 1 September 1989. It was less than one month after your cabinet's inauguration. You and the President have been calling each other by the first name since then

[Kaifu] To be honest with you, I was elected prime minister in a lower house election; I said this frankly to the President when I met him for the first time. I also explained the political circumstances facing the LDP in the next election. I told him I would do my best. The President advised me to do my best. As we parted he said he would pray for our victory. Then the President said: "It may be impolite, but may I call you Toshiki?" I said: "That is fine with me, but it is difficult for me to call you George." It was my first meeting with him; he is older than me. Moreover, he is the President of the United States. I told him it was contrary to Japanese custom to call one's elders by their first names. I told him that I was

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once an education minister, so I could not do that myself. The President then said that he would like me to call him George. Well, that is how we started.

[Suzuki] I heard that President Bush is enthusiastic about talking on the telephone. It seems that he calls you frequently.

[Kaifu] Yes, he does. He calls me often and immediately comes to the phone when I call him. I was pleasantly surprised by his call in February 1990 after the elections. I think it was five days after the election; the Diet had not yet convened and I had not been nominated. I was staying in a hotel and had just had a swim in the hotel pool. The phone rang at midnight. He said: "Hello, Toshiki." It was completely unconventional, when compared to previous U.S. practice. Our conversation had finished by the time my secretary and the Foreign Ministry's North American Bureau chief arrived at the hotel. Well, only my wife and I were in the room.

Later, at the Diet session, the question was raised: "You were with your wife at the time and had a telephone conversation with the top leader, without the presence of a Foreign Ministry interpreter." I replied: "Good thing I was with my wife." (laughs) When you receive a call from the President, you just cannot say: "Please wait because Foreign Ministry officials are not here."

[Suzuki] How long did you talk?

[Kaifu] About 20 minutes. He said he called because he was pleased that we won the election. He said: Let's meet soon, although you may be busy. I said that I understood. I kept talking as I paged through my date book. Perhaps the U.S. side knew the details of my schedule. He said: I will come to the West Coast. Can you come too? How about 2 March in Palm Springs? I checked my date book. I could arrive in the United States on the same day if I jumped on an airplane after delivering my policy speech. I could hold summit talks and immediately return home, just in time to answer questions from opposition parties. There was no time to waste, so I said: It seems fine by my schedule. If you are going to the West Coast, so will I. We held summit talks one week later.

[Suzuki] Did the Foreign Ministry complain?

[Kaifu] No. They worked feverishly for me. Right after our conversation, I called Ambassador Tamura in the United States and explained, saying: I just had a call from the President. He set a date for our meeting. I could not say no because the meeting was physically possible. I know it will be very troublesome for you, but will you please coordinate with the presidential adviser, Scowcroft? Tamura met with Scowcroft and immediately set a date for our meeting.

We later held our second meeting in Palm Springs. At that time, the president called me Toshiki. In response, I said hello, George. Our talks went smoothly; we discussed many things in succession.

[Suzuki] Do you speak to the President in English over the phone? Is it true that your secretary cannot always be with you?

[Kaifu] At the beginning and the end of a call, I speak in English. However, I do not speak in English when I talk about details. A small thing can create a difference of nuance in understanding so that I always speak through an interpreter.

[Suzuki] Then, do you use an interpreter that the other side provides?

The President Has a Secretary Exclusively In Charge of the Telephone

[Kaifu] There is an interpreter in the White House who is exclusively in charge of the telephone. During the time of recent Gulf crisis, while talking to President Bush on the last day that we could have avoided a ground war, I received a memo. To my surprise, the memo said that President Gorbachev of the Soviet Union wanted to call me, asking me if it was all right to do so. We answered that we did not have a Russian interpreter available. Then, a reply came in, saying that the Moscow side would provide an interpreter.

Of course, we provide an interpreter when we make calls.

[Suzuki] I now understand it was the U.S. side who asked to hold the second talks. However, was it the Japanese side who asked for other sessions? Moreover, all five meetings were held in the United States. I still think that both sides should have mutual visits.

[Kaifu] I told the President that I would invite him to Japan as a state guest during the course of the fourth talks, which were held in September of 1990. He said he would be pleased to come to Japan. However, the Gulf situation became tense, and the summit talks scheduled for February between United States and the Soviet Union to discuss arms reduction were also postponed. As a result, there was a significant change in schedules. I was told that "a schedule cannot be finalized as to when a visit to Japan could be made." I contacted the U.S. side and said that if that was the case, then I would come to the United States because I wanted to talk about many things concerning post-Gulf conflict issues. I gave some leeway, saying that I could come to the United States on such and such days. After that, we met at Newport Beach on 4 April.

[Suzuki] Does that mean that President Bush will not be able to come to Japan?

[Kaifu] He will come.

[Suzuki] When?

[Kaifu] I cannot say when. He said that he would surely come.

[Suzuki] Now, I would like to ask you questions regarding the specific contents of the summit talks. This

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is what I have come to understand from reading newspapers. Except for the talks held before the Houston summit, it seems to me that economic issues were expected to be the main topic

[Kaifu] Let me say this first. We do not necessarily talk about the rice issue and the problems of Japan-U.S. Structural Impediments Initiative (SII) all the time. We discuss various other things, even during the first talks. Japan and the United States must further promote the global partnership and pay attention to the stability of world peace because both countries' total gross national products (GNP) represent nearly 40 percent of that of the whole world. For example, we talked about China, Cambodia, the drug problem, and the Earth's environmental problems. We tried to respond to the expectations of the U.S. side; they also had their own demands. What I am going to say may offend you. However, even after government briefings, the press reports only issues about rice, SII [Structural Impediments Initiative], or the Super 301 clause. Is that because the press has an order of items of interest?

[Suzuki] I think we have to admonish ourselves about it; however, economic friction between Japan and the United States has been going on since the 1960's, and it changed from an issue discussed at individual consultations to an issue that involving cultural aspects. Does this mean that Japan-U.S. relations have deepened or that economic friction has developed as a part of the SII issue because no results have been obtained despite various efforts made by the U.S. side? Which one do you think is the reason?

[Kaifu] In addition to constructing the Tokaido Shinkansen and Meishin Expressway, Japan, when it began to stand on its own after the war, did many other things by borrowing money from the World Bank and pursued happiness in their corner of the world. Japan also received emergency food aid from the United States at an earlier stage; however, this all ended when Japan gradually gained power. Relations changed, and the teacher, who was teaching the beginner, began to talk about reducing the handicap because the student became better than the teacher at doing things. It became important for the two countries to work together for economic stability and development in the Asia-Pacific region in particular. So, we need to bring back the problems that exist between the two countries and to be as quiet and as peaceful a state as possible. What can we do in order to do that? Some methods, which have been used until today like the Super 301 clause, are not good because they are partial. Therefore, we decided to have the SII talks. I think that was the start of the SII talks.

Regarding the SII, the Japanese side submitted roughly seven items and the U.S. side six items. Indeed, if you take a look at these proposals one by one, you may think that they are issues related to Japanese culture as well. You may wonder what will happen to Japanese order or Japan's interests. We have had various discussions about this, but we need to overcome these difficulties. We need

to point out what we need to improve to each other and let air freely flow between us if Japan-U.S. ties are truly needed for the world's economy.

I understand that tracks to guide Japan-U.S. ties in a better direction have been laid. The Japanese side will stay on track and continue to exert as much effort as possible. In return, we want the U.S. side to sincerely respond to our demands; moreover, I think that our discussions will become a foundation for deepening our ties of mutual dependence and of making us involved in issues other than bilateral matters.

[Isuzu] Security is another important agenda at the summit talks. What do you think is an ideal way to promote Japan's security for the 21st century?

[Kaifu] Unlike economic issues, Japan's fundamental doctrine is that we cannot be of help when it comes to using military power.

Japan's security has been maintained under the Japan-U.S. Security Treaty. The treaty also serves as a framework of peace and stability in the Asia-Far East region. We were thinking about only our own country when the treaty was established; however, many countries in the Asia-Pacific region are appraising our fundamental doctrines.

[Suzuki] This has been pointed out during your recent visits to ASEAN nations too.

[Kaifu] That is right. Former Singapore Prime Minister Lee Kuan Yew said when we had a television debate via satellite last year that Japan should cherish the framework of Japan-U.S. security for Asian stability. I have had a long talk with Mr. Lee Kuan Yew during my recent trip. It may be my misunderstanding, but the Japan-U.S. Security Treaty, when you think about the acts Japan committed 50 years ago, serves in a way as a sense of security for maintaining order. That is one thing.

Another thing is that although the number of its old battleships is being reduced, there is a suspicion that the Soviet Union is improving the quality of its Far East fleet. Now that people have outlived the cold war structure, hopeful movements are actually taking place in European countries to the west of the Urals. Germany unified, East Europe changed, and the Warsaw Treaty Organization dissolved; however, there is a concern that weapons subject to military control, including some 20,000 tanks and a large quantity of cannons, crossed the Urals and moved to this side. At least Soviet military activity in Asia has improved. Asian people know that very well. Therefore, the presence of U.S. forces is very important.

Clauses concerning economic cooperation between the two countries were incorporated in the Japan-U.S. Security Treaty as amendments in 1960. The Japan-U.S. Security Treaty is one of interdependence between the two countries, and even refers to economic cooperation and welfare improvement in the two countries. Since

Japan has attained a powerful economic status, it is quite natural for it to provide more support to U.S. Forces in Japan, including its increased cost sharing for them.

[Suzuki] The United States has been demanding that Japan do more. For example, U.S. Defense Secretary Cheney told Defense Agency Director General Ikeda when he visited the United States that "we hope Japan will buy more U.S.-built weapons." If the United States and the Soviet Union move toward disarmament, the munitions industries of the two countries will have to reduce their work. It will take time for the munitions industries to decrease their work. Hence, the two countries are expected to press other nations to purchase their weapons.

Japan To Cut Back Purchase of Front-Line Military Equipment

[Kaifu] I do not believe that the United States is necessarily asking Japan to purchase weapons to save its munitions industry. The United States and many other nations are selling their weapons. Japan has been purchasing military hardware from the United States with the aim of ensuring security in Japan and the United States and such a purchase is of significance in ensuring the security of the two countries. Therefore, Japan has been importing necessary weapons mainly from the United States. The quantity of weapons that Japan will purchase from the United States in the future might fall short of fulfilling hopes and expectations of the United States. I do not think we have a choice, even if that happens.

The government, under the current defense-buildup plan, will improve the defense system as well as the vigilance system. However, the purchase amount of front-line military equipment has been declining from 2 to 3 percent every year. Japan is reducing the purchase of front-line military equipment in step with the world's trends. Japan intends to advocate holding international conferences to discuss disarmament, and the United States is presumed to understand Japan's intention.

[Suzuki] Japan follows three principles on banning exports of weapons. Mr. Prime Minister, do you think that Japan is working for worldwide control of arms exports? Some believe that it is ridiculous that Japan, as an arms importer, mentions a ban on arms exports. What do you think?

[Kaifu] As you pointed out in your question, it is ridiculous for Japan to mention only the ban on arms exports, while importing arms. However, Japan's contention on the ban of arms exports must be viewed as an ideology of Japan. Japan has maintained that it would not export weapons to other nations, particularly to regions in conflict. Japan has severely refrained from exporting weapons.

If other nations in the world had taken the same attitude as Japan, it would have been possible to prevent Iraqi aggression. I have contended that measures be taken to

prevent weapons of mass destruction from proliferating and to destroy them ultimately. Regarding conventional weapons, as you have mentioned just a while ago, Japan has been importing them. There are nations which need to import some weapons for the sake of self-defense. However, it is necessary to set limits on their imports of weapons for defense needs. At Diet sessions, I have explained these in the expressions of the clarity and openness of arms imports. The full monitoring of arms flow by the United Nations will contribute to eliminating causes for regional conflicts.

[Suzuki] Japan is now urging other nations to stop exporting weapons. Is that true?

[Kaifu] Yes, you are right. I intend to do so at a UN-sponsored disarmament conference scheduled to be held in Kyoto beginning 27 May.

[Suzuki] I would like to change the subject. You attended the Houston Summit last July for the first time since you took office. Mr. Prime Minister, you also attended the summit talks twice in your capacity as deputy chief cabinet secretary of the Miki Government. I think the way of directing the summit talks has substantially changed.

Summit Where Top Leaders Clash With Each Other

[Kaifu] For the first time, Japan attended the summit talks held in Ranbuie [name as published]. There were clashes among summit participants. Since Japan was attending the summit talks for the first time, we did not have textbooks or reference books to help prepare for the summit talks in advance. At that time, the world suffered from inflation and declining economic growth. The summit talks focused on how to achieve inflation-free economic growth. The summit talks were in fact an economic summit. There were clashes among summit participants on many occasions at the talks we attended with little preparation.

For the first time, an Asian nation was asked to attend the venue where the creation of a new world order in post-war years was discussed, and this is something I cannot forget. Up until that time, only the United States and European nations attended the summit talks. After the summit talks, there was an argument that Japan should participate in the summit talks as a nation of triangular relations, and that Japan for the second time attend the summit talks held in Sanfuan [name as published].

At the Sanfuan summit, the Japanese prime minister actively participated in discussions with other summit participants, explaining his impressions of the previous summit talks and current summit talks and mentioning what other participants indicated at the previous summit talks. At that time, I keenly felt Japan's improved international status, and at the same time its heavy responsibility. This is what I still remember.

Compared with the summit talks held at that time, the recent summit talks have certainly changed a lot. Many rounds of pre-summit meetings have been held by officials of participating nations to decide on topics to be discussed and coordinate the contents of the statement to be made by summit participants. However, I failed to go along with this prior coordination to some extent. Although my failure to observe the prior coordination can be seen as a bad move, I was a freshman at the Houston summit.

[Suzuki] Would you comment more on your failures?

[Kaifu] I raised my hand to President Bush who presided over the Houston summit, asking "would you allow me to speak?" At first, the President introduced me to other summit participants, saying "this is a newcomer and I would like to ask for your cooperation" and then gave me three chances to speak at the summit talks.

The trickiest issue at the summit talks dealt with the Soviet Union. German Chancellor Kohl said that "all of us should help the patient." Italian Prime Minister Andreotti said: We should give more medicine to the patient. We should not tolerate the situation where the patient suffers from the lack of medicine. In response, I said: "There is the northern territories issue between Japan and the Soviet Union, and this issue is a remnant left over by East-West relations in Asia. No progress will be made in the matters of principle unless the Stalinist expansionism is removed. Chancellor Kohl recoiled at my statement.

When I tried to refute, Prime Minister Thatcher signaled me not to speak. Mrs. Thatcher said: You have just asked us to bring medicine to the patient. Do you know exactly what has caused the patient's illness? The gist of the prime minister's remarks was that when the Soviet economy was in shambles, the supply of more and more material to the Soviet Union without making any survey could only cause indigestion. As a result, the Houston summit adopted a proposal that the International Monetary Fund and the Organization for Economic Cooperation and Development (OECD) send a survey team to the Soviet Union and compile a report based on the results of the survey within six months in cooperation with the European Community.

[Suzuki] At that meeting, you expressed your view on resumption of aid to China. A U.S. newspaper reported that "Japan has started to seek its own action."

[Kaifu] We are faced with the Chinese issue, not to mention the Soviet Union. All the other countries took a cold attitude toward China after the Tiananmen Square incident. So, I said: "What are we going to do while keeping China isolated. As an Asian nation, we have to include China in the international society. Japan promised to provide the third yen-based loan to China. We would like to gradually resume the loan in order to help China promote modernization, democratization and open-door line. China has shown its sincerity and is doing their best after the Tiananmen Square incident."

Then, Chancellor Kohl started to speak very excitedly again, saying: "You have lodged an objection against what I said earlier regarding the Soviet Union. Is your standard applied to the Soviet Union different from a standard applied to China?" So, I explained again, saying: "That is not correct. Aid to China is necessary in order to have them maintain reform and an open-door line. This is an issue that has already been pledged between the two countries. However, there is an issue of territories, which are illegally occupied, between Japan and the Soviet Union."

At that time, Secretary of State Baker, by order of President Bush, included a phrase in the chairman's statement, saying that [the meeting] supports an early settlement of the northern territorial issue. Moreover, as a result of negotiations, it was decided to include a phrase in the economic declaration, saying that it is a common understanding of all attendants that a peaceful settlement of the northern territorial issue is important to Japan as well. In connection with the Chinese issue, we obtained a tacit understanding regarding Japan's special relations and gradual resumption of what have been decided so far. The environmental problems were also discussed at that time. However, even if we attempt to solve environmental problems without cooperation from China, the result is obvious. China has 1.1 billion people, and air crosses borders freely. I said at the meeting that not even a single environmental issue will be settled unless we work together with China. Then, the meeting approved China's participation.

The Agricultural Issue Does Not Only Concern Japan

[Suzuki] Reportedly, the rice issue was discussed at the recent fifth Japan-U.S. summit talks. Can you talk about rice before we complete this interview? U.S. Ambassador Armacost, whom we interviewed the other day, said that "it is not a problem of whether the rice market will be liberalized, but a matter of how soon it will be made." What do you think?

[Kaifu] That is an issue we have work together on. Even the United States has weavers (exemption of liberalization obligation). The agricultural bill was passed by Congress last year. The EC is standing firm as a rock regarding issues of variable surcharge and subsidy. It is not fair to blame only Japan. We took action and promoted market liberalization—beef and oranges for example—even during the Uruguay Round. I told this to President Bush.

Japan's self-sufficiency rate on a calorie basis is 48 percent, and the people are very worried about this. Japan is different from your country, which has 120 percent of calorie self-sufficiency rate. The calorie self-sufficiency rate of most European countries exceeds 100 percent. Japan is not subsidizing exports. Moreover, Japan is the largest importer and is purchasing agricultural goods worth more than 8 billion dollars from the United States. The United States and the European nations also have problems. Therefore, I told him that

we need to discuss the matters not between the two countries, but at the Uruguay Round.

I have been telling the ministers who are in charge [of agricultural issues] that we have to maintain Japan's principle. We just cannot destroy the multilateral free trade system, so I have been telling them to exert efforts to obtain common understanding. I will explain the fact that it is not only Japan who is violating the rules. I will obtain a common understanding by patiently explaining Japan's stance on principles and policies maintained in the past. The EC and the United States should try to change the variable surcharges and the agricultural bill of fiscal 1990 respectively. While they are exerting efforts, I will try to persuade the people at home.

There are various methods, so we will do our best for a settlement. Probably, [the rice issue] will be settled within the multilateral free trade system before the end of this year. My opinion is that we have to do that.

Foreign Minister Comments on Rice Market Issue

*OW0506045991 Tokyo TOKYO SHIMBUN
in Japanese 3 Jun 91 Evening Edition p 1—FOR
OFFICIAL USE
ONLY*

[By correspondent Yoshikazu Imasato]

[Text] Paris, 2 Jun—Speaking to Japanese reporters in Paris on the evening of 2 June, Foreign Minister Nakayama predicted that new multinational trade talks of the GATT (Uruguay Round), including the issue of opening the Japanese rice market to foreign nations, would be settled within the year. Asked by reporters why he made that prediction, the foreign minister said that "the presidential elections and the upper house elections will be held in the United States and Japan respectively in 1992." During the elections, the issue of opening the Japanese rice market to foreign rice suppliers is highly likely to become the point at issue in the two countries, and farm organizations in Japan are expected to pressure the government not to open the rice market. Therefore, it is believed that the foreign minister will indicate strongly the need for the Japanese Government to make a political decision on partially opening the Japanese rice market to foreign nations before the elections.

LDP Signals Support for Partial Rice Imports

*OW0506182991 Tokyo THE NIKKEI WEEKLY
in English 8 Jun 91 p 6—FOR OFFICIAL USE
ONLY*

["Political Scene" column by Moriyasu Okazaki]

[Text] In an attempt to alleviate one of the major sources of Japan-U.S. trade friction, the Liberal Democratic Party [LDP] has suddenly started moving to open up the nation's rice market.

Former Deputy Premier Shin Kanemaru got the ball rolling with his recent declaration that the rice market should be "partially" opened—meaning that Japan will impose some restrictions such as quotas on rice imports before fully opening itself to imports. After that, LDP Executive Council Chairman Takeo Nishioka said the Kaifu administration should make up its mind whether to partially open the market.

In a related development, Keidanren, the nation's most powerful business group, adopted a resolution asking the administration to soon open up the market. Further, the Ad Hoc Administrative Reforms Promotion Council, a government advisory body, is expected to map an interim report in July recommending the partial opening of the market.

Among those moves, Nishioka's statement is the most important because he is one of the LDP's top officials. It had long been a taboo within the LDP to publicly say anything about the opening of the rice market because the party heavily depends upon farmers' support to stay in power.

Thus, Nishioka's recent public statement indicated that a majority of the LDP has tilted toward accepting the partial opening of the rice market.

Yet Kanemaru's statement has conveyed another political meaning: It was a clear signal to Prime Minister Toshiki Kaifu that he should forget about his plans to politically reform the LDP. Instead, Kanemaru seemed to be saying, the prime minister should solve the knotty rice market issue before the end of October, when he will step down. Reforms, after all, could undermine the ruling party's strongmen.

Kaifu immediately understood the signal, but he shrewdly handled the matter. He lost no time in publicly announcing that solving the rice-market issue was one of his administration's major political tasks.

That announcement was a shrewd move because Kaifu realizes that most LDP strongmen want him to solve the knotty issue before they rise to power. Kaifu has calculated that so long as he is handling the issue, he cannot be removed from power prior to the expiration of his term as LDP president in October.

Now, the main question for the government may be when—not whether—to open up the rice market.

Nishioka's statement suggests that since the government has usually delayed in making decisions of international importance and thus invited harsh criticism from abroad, it would be a good idea for Kaifu to make the decision to open up the rice market before the London summit of industrialized nations in July.

But LDP Diet members opposed to the market-opening have expressed serious misgivings about such a position.

In this tricky political game, Kaifu has something else to worry about, i.e., the expiration of his term. In card

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games, the "joker" is usually a bad card that players don't like to hold. But it can become a very wild and powerful card if handled well.

Hashimoto Criticizes Nakayama's Aid Proposal

OW0606080191 Tokyo YOMIURI SHIMBUN
in Japanese 5 Jun 91 Morning Edition p 2—FOR
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[Text] Foreign Minister Nakayama proposed in Paris, that considerations be given to raising the ratio between the Official Development Assistance [ODA] and the GNP in Japan's future foreign aid. Speaking at a news conference held shortly after a cabinet meeting on 4 June, Finance Minister Hashimoto harshly criticized the foreign minister's proposal. Thus, differences have surfaced between two key government ministers over the question of how Japan should make international contributions in the future. On the same day, Prime Minister Kaifu hurriedly met with Chief Cabinet Secretary Sakamoto to discuss how to deal with the controversial proposal and the two tried to calm the controversy by concluding "the foreign minister's proposal was his own personal idea." The foreign minister has also proposed creating "a new international contribution tax" to secure financial resources for raising the ratio between the ODA and the GNP. Many people within the ruling Liberal Democratic Party [LDP] are voicing their support for the foreign minister's proposal, and the foreign minister's proposal is likely to continue to linger for a long time within the government and the party.

The foreign minister has proposed: 1) Setting Japan's total foreign aid, including the ODA and financial contributions to the United Nations, at between one and two percent of the GNP; and 2) creating a new international contribution tax to secure financial resources for raising the GNP ratio in Japan's foreign aid. After disclosing this proposal to Japanese reporters in Paris, the foreign minister telephoned the prime minister to explain the proposal and win the latter's understanding.

On the morning of 4 June shortly before a cabinet meeting was held, Finance Minister Hashimoto met with Prime Minister Kaifu. At the meeting, the finance minister indicated his opposition to the foreign minister's proposal, saying that "it is ridiculous to set the amount of foreign aid at the GNP ratio." Speaking at the news conference held shortly after the cabinet meeting, the finance minister criticized the foreign minister's proposal, claiming: "In view of the nature of international cooperation, the setting of any aid goals at the GNP ratio is feared to include unnecessary assistance in Japan's foreign aid. It is not appropriate to propose measures to secure financial resources for Japan's foreign aid before proposing desirable ways of how Japan should provide the aid in the future."

After taking a serious view of the surface differences between the two key cabinet members over Japan's foreign aid, the prime minister hurriedly met with Chief Cabinet Secretary Sakamoto to discuss how to deal with

these differences. During the meeting, the two concluded that "the foreign minister's proposal was just an indication of his personal long-term prospects for Japan's foreign aid and his proposal is not government policy," saying that the foreign minister's proposal for setting the goals of Japan's foreign aid are unrealistic. At the meeting, the prime minister instructed the chief cabinet secretary to work to hold the cabinet together and calm the controversy over the foreign minister's proposal.

Regarding the foreign minister's proposal, many officials within the Foreign Ministry have said: "The foreign minister and other ministry officials share the same view that Japan needs to increase its international contributions and it is necessary to study specifically how Japan should increase it." Many officials within the government however, have reacted coolly to the foreign minister's proposal, saying that "the foreign minister has cited the figures of one or two percent of the GNP and mentioned the international contribution tax without making a careful study of them in advance."

However, "the Special Research Council on Japan's Role in International Society" in the LDP with former LDP Secretary General Ichiro Ozawa as head, has set forth plans to examine the introduction of a new tax to secure financial resources for Japan's increased international contributions. The LDP and the Finance Ministry are expected to pit against each other over Japan's future aid.

Foreign, Finance Ministries Disagree on Aid

OW0506061491 Tokyo ASAHI SHIMBUN in Japanese
4 Jun 91 Morning Edition p 9—FOR OFFICIAL USE
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[Text] Remarks by Foreign Minister Nakayama, currently on a European tour, on 2 June on the need to indicate an explicit ratio of the size of Japanese international financial contribution to gross national product (GNP), and to consider an "international contribution tax" as its fiscal source, have caused a stir within the Finance Ministry.

The foreign minister's remarks referred to the need to set a clear target for Official Development Assistance (ODA) and other contributions to international organizations, such as 1 or 2 percent of GNP, and to exert steady efforts to increase such contributions. However, an official of the Finance Ministry's Budget Bureau said, "This is extremely unrealistic. The ceiling is too high, even when compared to the 1 percent of GNP ratio of the defense budget. In addition, the recipient countries also have limited capacity to absorb such aid."

The Tax Bureau is also unenthusiastic, saying "There is no way people can accept soliciting taxes without even fixing the purpose for which they are to be used. Looking at the difficulties which had to be overcome before the consumption tax came into effect, this should be clear."

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This is because there has been an increasing number of cases of expenditure, in which the prerogative of the financial authorities has been passed over in the name of "international contributions," such as the \$9 billion spent to help in the Gulf war. The Finance Ministry is very touchy.

Ministry officials complain that "requests for budget increase in the next fiscal year's budget will certainly use 'international contributions' as their excuse." They are geared to tighten the government's purse strings.

Panel To Urge Cuts to Arms Trading Nations

*OW 06120091 Tokyo MAINICHI SHIMBUN
in Japanese 3 Jun 91 Morning Edition p 3—FOR
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[Text] "The Council on Japan in the World" (president: Kazuo Inamori) under the Provisional Council for the Promotion of Administrative Reform, which plans to incorporate the need for a drastic review of the Official Development Assistance (ODA) in an interim report to be compiled in mid-June, completed the outline of the report on 2 June. Terming the ODA "the most important means in carrying out Japan's foreign policy," the interim report recommends that 1) Japan refrain from providing ODA to nations that export and import a huge amount of weapons, 2) prior surveys by the Japanese Government in recipient nations be strengthened, and 3) a government agency be created to clarify the government responsibility for handling ODA. At a time when Japan is being pushed by the United States and European nations for more international contributions, ODA is likely to take on the tint of "strategic aid."

The interim report is comprised of the general summary entitled "The Basic Concept of Japan's Foreign Policy," and two other chapters which include Japan's foreign policy, crisis management, and international contributions. The need for a drastic review of the ODA, along with the question of Japan's cooperation with the Peace-keeping Operation of the United Nations, is the key point of Japan's foreign policy in the interim report.

The interim report, in its outline, stresses the need for Japan to provide aid designed to protect the global environment from the viewpoint of humanitarian consideration and relations of interdependence in the international community, citing Kuwaiti oil-well fires in the Gulf war and the importance of dealing with oil leak in the Persian Gulf. Taking into account the fact that aid by Japan and other nations to Iraq had led to strengthening the military power in that country, the interim report also stresses the need for Japan to refrain from providing ODA to nations which export or import a huge amount of weapons beyond their defense needs.

Japan provided a total of \$9 billion in aid to other nations in 1989. This aid made Japan the world's top aid donor in that year. However, there is growing criticism among the people at home that Japan's aid is a "lavishing of money aid" because of the lack of an aid strategy.

At present, the Ministry of International Trade and Industry, the Foreign Ministry, the Finance Ministry, and the Economic Planning Agency are in charge of handling ODA. The Economic Planning Agency is responsible for mapping out aid plans and medium-term aid goals. However, it has been pointed out many times that the government "lacks consistency" in providing ODA.

Therefore, the interim report calls for creating a government agency to keep a consistent aid policy. Some government officials have expressed the view that a specialized government agency like "the Overseas Aid Agency" could be created.

Regarding the criticism that the government has taken no follow-up measures to ODA, it has been suggested by some government officials that the government can make it mandatory to conduct auditing and to penalize recipient nations if ODA is found to be misused under an agreement to be incorporated in notes which are exchanged between the governments of Japan and recipient nations.

The interim report also stressed the importance of making prior surveys on 1) the development stage of recipient nations, 2) cost and effect, and 3) the relationship with Japan's diplomatic strategy. The council also plans to stress the need for training experts and staffers, and improving publicity for ODA at home and abroad.

GENDAI Magazine Views U.S. Trade Policy

First Installment

*OW0406050591 Tokyo THE JAPAN TIMES in English
3 Jun 91 p 22—FOR OFFICIAL USE ONLY*

[By Kanji Ishizumi, attorney who has served in the Ministry of International Trade and Industry: First installment of 2-part serial from monthly magazine GENDAI—"Second U.S. Offensive Due"]

[Text] Japan made a monetary contribution of \$13 billion in the Persian Gulf War yet anti-Japan sentiment in the United States has escalated rather than abated. American citizens' reactions toward a Japan that could only write a check have appeared in various forms.

In the U.S. Congress, more than 30 bills have been proposed demanding an open Japanese market and restricting Japanese corporate activities in the U.S. Even a bill to restrict "foreign lobbying activities" has been presented that is targeted at automobiles, construction, the financial area and Japanese businesses. (Japanese companies annually spend \$400 million on lobbying in the U.S.)

The call for tougher action against Japan is mounting as business slows down in the U.S., where a presidential election is scheduled for next year.

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Various problems have been discussed at Japan-U.S. summit meetings and are being taken up in governmental bilateral negotiations. These issues include quantitative restriction of Japanese automobile exports to the U.S., the excess flow of components from Japan, opening the Japanese market to American rice, the U.S. share of the Japanese semiconductor market and greater access for American firms to public construction projects in Japan.

The U.S. is also pressing the Japanese government to buy American computers. So is it urging Japan to buy paper products. In short, its demands concern virtually all Japanese industries. All these individual problems are difficult and defy quick settlement.

What then is the true aim of the U.S.? It is to change Japan's economic structure and corporate system and practices. In other words, to surgically remove, as it were, what the U.S. sees as the unfair aspects of capitalism in Japan.

The U.S. holds a card—the Antimonopoly Law—in its offensive against Japan. It is trying to surgically change the Japanese economy in a double-sided operation.

For example, Nintendo's American subsidiary was investigated in early April by the Federal Trade Commission for allegedly obstructing reduced-price sales of the company's personal computers by retail stores. Nintendo agreed to pay about Y [yen] 4 billion in an amicable settlement.

The U.S. antitrust authorities are becoming quite active, and Japanese firms are, ready or not, coming under their scrutiny. At the root of this is the American sense of "justice." They will not tolerate unfair dealings.

At the Japan-U.S. Structural Impediments Initiative talks held from September 1989 until last June, the Japanese government made commitments in six areas—saving and investment patterns, land policy, the distribution system, exclusionary business practices, pricing, and Keiretsu business affiliations. The U.S. said that an improvement in and the tightening of Japan's Antimonopoly Law were necessary for this purpose.

Japan decided to amend its Antimonopoly Law to parry the U.S. charge that it was not enforcing the law properly. In fact, the tightening of criminal penalties was put off to the indefinite future and the level of the penalty imposed was held down to 6 percent of sales and not increased to 10 percent as the U.S. had demanded.

As to the U.S. charge that keiretsu relationships were at the root of the exclusionary character of the Japanese market, the Fair Trade Commission here included a provision that an order to dispose of shares will be issued in the event of an illegal transaction. Keidanren (the Federation of Economic Organizations) Chairman Gaishi Hiraiwa promptly expressed opposition on the

grounds that "shareholding is basic to corporate management and new restrictions should not be introduced hastily."

Japan's tightening of its Antimonopoly Law is merely nominal and has no substance. I do not think that the Fair Trade Commission will actually issue an order to dispose of shares when there is a violation.

The U.S. is quite aware of what response Japan would make. It knows that even if it demanded a tightening of the Antimonopoly Law, Japan would merely temporize by revising the law and do little to practically implement it. Rather the U.S. could find it more convenient in some ways that Japan does not strictly apply its Antimonopoly Law.

Why? Because the U.S. then will have a good excuse to mount a second offensive wave if unfair conduct by Japanese firms is seen to proliferate and no proper action is taken to stop it. The U.S. is steadily preparing its second-wave offensive, which is the "extraterritorial application" of its own Antitrust Act.

This law is incomparably stricter than the Japanese one. Both corporations and corporate officers can be fined. And if they lose in the courts, they can be asked to pay triple damages. Under extraterritorial application, the U.S. will vigorously apply the provisions of the Antitrust Act. In what situations will this be done?

Take the case of Koito Manufacturing Co., a components maker under the wing to Toyota Motor Corp. Let's assume the prices of Koito's products are controlled by Toyota and automobiles using these products are exported to the U.S. market. American auto parts manufacturers will be affected, and the U.S. Antitrust Act would be applied if it is ruled that there was unfair price competition.

The law will be similarly applied if the U.S. market is affected by Japanese firms agreeing on the prices of their products exported to the U.S. under *dango* (conferring by rival companies to decide on matters of common interest, such as builders agreeing who among them will bid in a public construction project and at what price). The law may also apply to corporate takeovers and joint ventures.

"Extraterritorial application" will be akin to Japan itself virtually enforcing the U.S. Antitrust Act. The areas the U.S. particularly has in mind are construction, automobiles and computers.

Second Installment

OW0506053091 Tokyo THE JAPAN TIMES in English
4 Jun 91 p 20—FOR OFFICIAL USE ONLY

[By Kanji Ishizumi, attorney who has served in the Ministry of International Trade and Industry: Second installment of 2-part serial from monthly magazine GENDAI—"Second U.S. Offensive Due"]

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[Text] Another decisive difference between Japan and the United States regarding antitrust legislation has been brought into sharp relief. The execution of law is conducted not only by state agencies; consumers in general also have a role. In the U.S., consumers can take legal action to demand damages if they believe they have suffered a loss as a result of corporate violation of the Antitrust Act. Japan should adopt this system with minimum delay.

The battle between the two countries over Japan's Antimonopoly Law is likely to intensify in the days ahead. The Japanese business community, relieved at seeing the law emasculated, may not be so happy when a big new burden falls on them out of the blue.

During his visit to Tokyo in early April, U.S. Secretary of Commerce Robert Mosbacher pressed Foreign Minister Taro Nakayama for both the revision of the Antimonopoly Law and correction of the keiretsu affiliated-firms issue. These are the very questions on which the U.S. is about to launch its next offensive. Let's look at some practical examples.

The U.S. government sees the keiretsu sales relationship in the automobile industry as a major obstacle to selling American auto parts in the Japanese market. In other words, the system linking carmaker, parts producer and dealer is seen as an obstacle to the entry of foreign parts manufacturers. The U.S. government points out that American parts comprise only 1 percent of Japan's ¥ [yen] 14 trillion auto parts market.

Take another example. I am the representative of T. Boone Pickens, the largest shareholder in Koito Manufacturing Co. As such, Pickens demanded that he be allowed to send a director to sit on Kito's board but was refused. The reason is the keiretsu affiliation system.

Approximately 70 percent of the shares of Japanese listed companies are cross-held by related companies as stable shareholders. Therefore Pickens, who holds 26 percent of Koito's shares, cannot so easily exercise his rights as a major shareholder.

If he wishes to do so, he must possess 51 percent of the shares. But this is difficult to realize, because 70 percent of the shares are held by stable shareholders and only about 30 percent are available on the market. This makes it actually impossible to acquire a 51 percent share. In effect, Japanese companies cannot be purchased by foreign firms or even by other Japanese companies.

This cross-holding of shares constitutes the basis of the *zaibatsu* (financial and industrial cliques) keiretsu affiliations as well as such relationship as those between Toyota and Koito and Nissan and Ichiko.

There is a firm belief in the U.S. that enterprises exist to contribute to the happiness of the individual. But corporate well-being comes first in Japan's economic and political system.

In the course of the Japan-U.S. Structural Impediments Initiative negotiations, the U.S. said that in the event a shareholder holds 25 percent of a company's shares that shareholder should be allowed to send a director to the board in the ratio of 1-to-4 percents. The U.S. is pressing Japan for restoration of the shareholder's democratic rights. This is the fundamental idea behind the current U.S. offensive against Japan.

As the U.S. makes one move after another, the Japanese economy will be come divided and, like the popular Othello game, economic relations between Japan and the U.S. will be reversed at a stroke. Will Japan then have the grounds to justify its own arguments?

Japan will have to change its corporate system itself if it is to comply with the U.S. demands regarding direct investment in Japan by Americans and the rights of minority shareholders.

The U.S. has thrown a net around Japan from which there seems to be no way out. As Japan remains greatly dependent on the American market, the only way it can survive is to go along with U.S. rules, in other words, international rules as regards the Antimonopoly Law, shareholders' rights and corporate systems.

Is Japan to maintain its present economic, social and cultural systems because they are "Japanese practices?" Or take bold steps toward changing them? Japan stands at a crossroads indeed. This country will be pushed out of the world's free-trade system if it hesitates to undertake the necessary reforms.

Difference in U.S. Use of Supercomputers Viewed

OW0606011691 Tokyo THE JAPAN TIMES in English
4 Jun 91 p 20—FOR OFFICIAL USE ONLY

[Editorial: "The Challenge of Supercomputers"]

[Text] The typical thinking behind the acquisition of one of today's supercomputers appears to differ markedly between users in Japan and in the United States. In America, use of the ultrafast "number-crunchers" tends to concentrate in federal government organizations like the Department of Defense, in academic institutions and in large telecommunications companies. Here, on the other hand, most supercomputer users are manufacturers of products for the ordinary consumer market like home electronics, automobiles and trucks (for which they contribute to increased safety), personal computers and office automation equipment. So it was not surprising that the chairman of the largest American supercomputer maker chose the occasion of the Supercomputing Japan '91 exhibition-conference in Tokyo this spring to introduce his company's new lower-cost model. Sales of U.S. supercomputers remain modest here, but they are growing and industry analysts consider Japan's market promising for foreign manufacturers despite the strong competition from the three domestic vertically integrated electronics companies that offer their own ranges of supercomputers.

A principal trend in both Japanese and American computer research involves the concept of parallel computing, which in effect allows a computer to break up a complicated task and distribute the shares to thousands of microprocessors. American and European manufacturers are said to fear Japanese inroads in this area, but much of the cutting-edge R&D remains centered around the laboratories of the Massachusetts Institute of Technology and the California Institute of Technology in the U.S.

This research is expected to yield new insights into ways to allow standard computers for both home and office use to operate at considerably increased speeds, and that may be the point at which Japan assumes a leading role. In the meantime, one headache reported still facing the computer researchers and designers is how to sufficiently cool down all the heat-emitting processors that the new computers use.

A lot is heard in the computer industry these days about the controversial subject of "benchmarking," or rating the performance of various supercomputer models. Controversial it may be, but it appears absolutely essential for any potential user since invariably when a top-of-the-line supercomputer is introduced here or abroad, its maker hails it as the fastest, newest and best.

Similar machines can have widely different speeds at which they run software programs, but experts say this actually matters little to most average users, who basically are simply interested in a supercomputer that runs commonly used software at reasonably brisk speeds. Operating dependability and quick service are equally important deciding factors in making a purchase decision.

One reason that those outside the industry sometimes overlook for Japan's importance to U.S. supercomputer makers lies in the fact that most of the American firms procure a large number of the necessary semiconductors from manufacturers here. Analysts cite the example of one of Japan's major supercomputer producers—which also manufactures microchips—selling a substantial volume of special-purpose chips at America's leading supercomputer maker. Some U.S. critics charge this is dangerous dependence on a foreign supplier.

The government is actively promoting the concept of the supercomputer of the future through its proposal for a sixth-generation computer project. In view of the breakthroughs that are hoped for, indeed expected, it is important to note that the project will be open for participation by some firms from overseas. All those who seek greater transparency in such R&D undertaking must welcome this change from the Japan-only exclusivity of the earlier fifth-generation computer project.

Japan and the U.S. agreed earlier this year to extend and update their bilateral pact limiting the sale of supercomputers, which can of course be used for the design of nuclear weapons and for other military purposes, so that they do not fall into the hands of those countries that have not yet signed the Nuclear Nonproliferation Treaty. Other industrialized countries close to having their own

supercomputers will be asked to join. This is an international responsibility that cannot be minimized even as this country is revolutionizing supercomputer use to help develop better products for everyday life.

YOMIURI SHIMBUN on Construction Accord

*OW0406053491 Tokyo THE DAILY YOMIURI
in English 3 Jun 91 p 6—FOR OFFICIAL USE ONLY*

[YOMIURI SHIMBUN 2 June editorial: "Breaking New Ground in Construction"]

[Text] After a year of talks, Japan and the United States have reached an agreement under which Japan will expand the list of public projects open to bidding by U.S. construction firms.

The talks had moments of drama: One critical point came when U.S. negotiators reportedly threatened punitive action if Japan failed to yield in negotiations. Undaunted, Japanese delegates countered with threats of retaliation if the United States acted on its threat.

The relationship between the two countries had already been strained by what was seen by many as a slow and grudging response by Japan to requests for aid to the multinational forces in the Gulf War.

But fortunately, once talks of retaliation was dropped, the two were able to resolve one of the thornier issues standing between them.

Increased participation by U.S. construction companies in Japan's public works projects will add a healthy dose of competition to an industry that for too long has been allowed to indulge in a cozy atmosphere of collusion.

Hopefully, the new agreement will help reduce that collusion when it comes to bidding for public works contracts, as well as lower construction costs and improve the quality of workmanship that goes into the projects.

An earlier, 1988 agreement between Washington and Tokyo gave preferential treatment to U.S. firms in bidding for 17 major Japanese public works contracts. The designated projects included the ongoing construction of the Kansai International Airport.

For the usual public works projects, the government calls in bids 10 or so days after announcing the names of those companies who have registered their intention to bid and have been accepted. The new agreement requires that, for the designated projects, Japan allow more than 70 days for the whole bidding procedure, from announcing the project and soliciting bid registration to releasing the list of bidding companies.

Haste Makes Waste

During the talks, the U.S. government demanded that Japan apply this policy to all public works projects. Japan countered that the selective application was necessary as a temporary measure that would give U.S. firms the opportunity to better acquaint themselves with the Japanese bidding system.

The impasse was circumvented when Japan conceded to the addition of 17 works projects to its list, including construction of the new Chitose Airport.

While the arguments posed by the Japanese delegation during the talks made some sense, the bidding system for public construction projects has never seemed rational to most people, and the speed at which it is executed makes it seem even more confusing.

The construction industry's maintenance of close contacts with public enterprises so that it can obtain insider information about prospective projects is deplorable, as is the way politicians often involve themselves in the bidding process. Because companies are given so little time to prepare their bids, though, they cannot make accurate construction cost estimates. This forces them into unethical associations with both politicians and bureaucrats, resulting in exclusive cartels.

The new agreement's lengthened bidding period should be applied not only to the special list of projects, but to all public works projects. Admittedly, this would entail more paperwork for public enterprises and might slow the entire public works approval process. But this problem would be overcome by adjusting the length of the approval process to correspond with the scale of the project under consideration.

Leave It To Experts

Japan's public enterprises also continue to insist on using their own technical experts to plan each project from start to finish, leaving construction companies with no input into project design. This practice will be sure to spark continued resentment among U.S. construction firms. U.S. companies are especially capable when it comes to design and other software aspects and are keen to rely on their own expertise when it comes to project planning.

Assigning the software behind a project to the private sector would also be in line with the current administrative reforms and, at the same time, would promote technological innovation.

This does not let the U.S. side off the hook, by any means. U.S. construction firms will only gain Japanese trust by accumulating a good performance record in this country. In the past, U.S. firms have shown a less than enthusiastic response to Japanese public works project bidding announcements. A more respectable effort on their part would not go amiss.

EC Trade Official Andriessen Interviewed

OW0506055591 Tokyo THE NIKKEI WEEKLY
in English 8 Jun 91 p 8—FOR OFFICIAL USE
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[By Satoshi Isaka, staff writer: "Japan Cars Likely to Bump into EC Curb"]

[Text] Sales of cars made at Japanese companies' European factories are likely to face restrictions in the future, according to the European Community's top trade official.

In an interview with THE NIKKEI WEEKLY, Frans Andriessen, the community's external relations and trade policy commissioner, said that production at EC factories of Japanese companies would in some way be counted against the number of imports from Japan as a transitional quota.

However, Andriessen added that Japanese companies' fears that local production will be treated in exactly the same way as Japanese imports are groundless.

The EC's ultimate end is to have a "completely free car market after a certain period of time" following the dismantling of internal barriers at the end of 1992, he said.

Such a transitional period is needed to "adapt our industry to be able to be exposed to full competition on the world market", said Andriessen, who was accompanying EC Commission President Jacques Delors on his visit to Japan.

In the process, the Commission wants to prevent a sudden increase of Japanese car inflow to the five member states now protected by national quotas, Andriessen said. The Commission wants to ensure that the flow of Japanese cars from the seven EC markets that are already open should be compatible with restructuring the European industry.

Andriessen suggested that during the transition, Japanese manufacturers would be free to make as many cars as they want inside the EC, but that the greater their European production, the less they would be allowed to ship directly from Japan.

This means that although the limits "formally" apply only to imports, in effect local production is counted. Andriessen did not elaborate on the formula for doing this.

The level of local production will be "automatically taken into account" in determining a transitional quota to be imposed on imports from Japan, he said.

"Take Nissan for example," Andriessen said. "If Nissan increases its production in the Community, then for economic and commercial reasons it would have impact on Nissan's decision" on imports.

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This line of thought was also evident in Delors when he said: "It is impossible to dissociate Japanese investment in Europe from their exports."

Nissan Motor Co., Japan's second largest automaker, which last year produced 77,000 cars at its plant in Sunderland, England, says the production will reach 120,000 this year. Nissan says it intends to raise the UK plant's capacity to 220,000 a year by the end of 1992.

Exports from U.S.

The treatment of Japanese car imports and production in Europe is an intractable question awaiting resolution for the EC to create a genuinely single market from 1993.

Japanese automakers have argued that vehicles built at their EC plants should be treated as EC products if they use more than 80% of locally sourced parts.

The European Commission has reportedly arrived at a common negotiating position with Tokyo after years of internal haggling over the issue. Detailed negotiations are expected to soon begin between Japanese and EC officials.

Some EC carmakers have been lobbying for including any Japanese-brand car, wherever built, in the transitional curb. Japanese manufacturers are particularly worried that vehicles they make in the U.S. and Eastern Europe could be affected.

Yet Andriessen made it clear that imports from overseas plants of Japanese companies outside the EC will be "not at all taken into account."

"(The transition) should be long enough (for European motor companies) to make the restructuring processes, but not too long because it would weaken their incentives to do so," Andriessen said. The Commission is considering 1997, 1998 or 1999 as the year to terminate the restrictions, he said.

The so-called voluntary export restraint arrangement between Japan and the U.S. has been criticized as benefiting Japanese producers at the expense of U.S. consumers because it led Japanese companies to sell higher-priced models.

Andriessen said the same could not happen under the proposed quantitative curb in post-1992 Europe. Most imported Japanese cars in the EC are popular models made for a broad range of consumers, he noted.

"There is no reason to believe (this pattern will change) in a short term. On the longer term, it could change. But on the longer term, the transitional period will finish and you will have a free market situation any way."

Japanese cars account for about 11% of the EC market but are limited to 3% in France, 3,300 units a year in Italy and are subject to some bilateral quantitative restrictions in Spain, Portugal and Britain.

Self-restraint

Leading Japanese carmakers are now indicating self-restraint in the face of hostility shown by some European business and political leaders, notably new French Prime Minister Edith Cresson, and continued uncertainties over the EC's future.

Yutaka Kume, Nissan's president and chairman of the Japan Automobile Manufacturers Association, recently said Japanese companies will deliberately limit auto exports even when the EC market becomes totally free after the transitional period ends.

Such moderation is necessary, Kume said, because "I do not believe the proposed transition of six to seven years will suffice" for the European motor industry to make necessary changes to compete with the Japanese.

Kume said that in the 1990s more Japanese carmakers will seek joint ventures and technological alliances.

'Prompt Action' Taken on Cresson's Remarks

OW0506144891 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 5 Jun 91 Morning Edition p 3—FOR
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[Text] The government has taken prompt action on Prime Minister Cresson's "remarks regarding Japan as an enemy," by taking the extraordinary action of calling into the Foreign Ministry the French ambassador to Japan and lodging a protest. The mood prevailing in both the government and the private sector is that they want to sheathe their swords at this stage and thus to prevent the problem from getting more serious.

It probably is the first time in the post-war diplomatic history of Japan that the government has lodged a formal protest over remarks of a top leader of a Western industrialized nation. Explaining the reason for venturing to take the unprecedented action of protest, a senior official of the Foreign Ministry said: "We had thought the remarks regarding Japan as an enemy would stop once Mrs. Cresson took office as prime minister, but there was no sign of it."

Minister of International Trade and Industry Nakao refuted Prime Minister Cresson's argument that Japan is closed, saying specifically: "Japan's tariff rates on manufactured goods are at the lowest level in the world. Meanwhile, France is acting to control imports of automobiles and other products." A senior official of the Ministry of International Trade and Industry added: "Unless the refutation is made without citing facts, it will only rub the French people's emotion the wrong way."

In fact, Prime Minister Kaifu is assuming a cool stand. He said, "I am aware of the reports (about the remarks regarding Japan as an enemy), but I have no intention of saying this or that, taking this as a chance." He is hoping that things will settle down. People around the prime minister said, "we are not happy, but if this thing

develops into an argument between the two prime ministers, this can really hurt Japanese-French relations.

While this is the situation, Foreign Minister Nakayama is due to meet with French Foreign Minister Dumas on 5 June. He wants to convey to France that there is no change in Japan's policy toward France, and in turn wants to confirm that there is no change in France's policy toward Japan.

There appears to be an agreement (according to a Japanese Foreign Ministry source) with "the French Foreign Ministry which has a headache from his intemperate remarks" that they will settle the matter as putting the Cresson remarks away as her personal remarks.

There is an undeniable impact of this situation on private industries. Nippon Electric Company, which has been set to invest in French computer company Bull, intends to withhold making the investment until the French Government formally recognizes the company as one necessary for the industrial promotion of France.

Likewise, Mitsubishi Electric Corporation which has a plant in France and Hitachi which has been pushing for a project to build a magnetic disc plant in France are cautiously watching the moves of the new prime minister. It is not limited to France. In not just France but the entire EC market, which is difficult to enter compared with the United States, it is considered that a business that is set up despite the objections of local governments cannot hope to pursue business operations in a stable manner.

Spanish Minister Remarks on EC Car Restrictions

OW0606053691 Tokyo NIHON KEIZAI SHIMBUN in Japanese 5 Jun 91 Morning Edition p 9—FOR OFFICIAL USE ONLY

[Text] Spanish Industry, Commerce and Tourism Minister Claudio Aranzadi, currently on a visit to Japan, granted an interview to a NIHON KEIZAI SHIMBUN reporter in a Tokyo hotel on 4 June. Regarding restrictions on imports of Japanese-built cars after markets of the European Community (EC) are integrated in 1992, the Spanish minister said: "Cars produced by Japanese automakers in the EC should not be subject to restrictions. It is ridiculous to include cars produced in the EC in the import quota for Japanese-built cars." Thus, the Spanish minister indicated that the Spanish Government would oppose the EC's comprehensive plan designed to make cars manufactured by Japanese automakers in the EC subject to restrictions on imports of Japanese-built cars.

Explaining the present state of the Spanish economy, the minister said that "inflation is in control and trade deficits are declining," adding that "it will be possible for the government to decrease interest rates during the second half of this year."

Vietnam Seeks Assistance in Power Projects

OW0506184091 Tokyo JIJI in English 1354 GMT 5 Jun 91—FOR OFFICIAL USE ONLY

[Text] Tokyo, June 5 (JIJI PRESS)—Vietnam has asked Japanese trading companies to extend financial and technical assistance for the country's power station projects, trading industry sources said Wednesday.

The request has reached Nissho Iwai Corp. and some other companies, the sources said.

The projects include the construction of a 600,000-kilowatt-class hydroelectric power plant in Yali, central Vietnam, and a 160,000-kilowatt-class hydroelectric power station in Thachmo, a suburb of Ho Chi Minh City.

Vietnam has also asked the Japanese firms to assist in a project to expand a 30,000-kilowatt thermal power station operating in Nhon Trach, Nearvung Tau Island, in southern Vietnam, to a [figure indistinct]-kilowatt-class plant, they said.

Vietnam, faced with serious power shortages, is now giving top priority to building new power plants for the reconstruction of its economy.

Behind Hanoi's latest request for support from the private sector is the lack of official financial support from the Japanese Government, the sources said.

Japan's official loans to Vietnam have been frozen since 1979 as part of its economic sanctions following Hanoi's invasion of Cambodia in late 1978.

There is a possibility that Vietnam will seek Tokyo's support for the power plant projects when Foreign Minister Taro Nakayama visits the socialist country next week.

Japan's companies, strongly interested in the projects, are now waiting for the outcome of Nakayama's visit, the sources said.

An official at a leading trading house noted the possibility of great risks arising from participation in the projects by the private sector alone.

Defense White Paper Addresses SDF Issue

OW0406115191 Tokyo MAINICHI DAILY NEWS in English 3 Jun 91 p 1—FOR OFFICIAL USE ONLY

[Text] The Defense Agency has urged that vigorous debate take place concerning the Self-Defense Forces [SDF] in order that its future role can contribute to the international community, according to a draft of the 1991 Defense White Paper.

The agency intends to hold discussions with related ministries such as the Foreign Ministry, and after



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Japan

Nakayama To Propose Assistance for Vietnam

OW0506150491 Tokyo KYODO in English 1436 GMT
5 Jun 91

[Text] Tokyo, June 5 KYODO—Foreign Minister Taro Nakayama will propose to provide assistance to Vietnam, especially advice on market economies, when he visits the country from June 10-14, Foreign Ministry sources said Wednesday.

Nakayama will propose a plan which includes sending economists to Vietnam, accepting Vietnamese trainees in Japanese institutions or universities, and providing technical know-how on economic policies, the sources said.

The Japanese foreign minister will also offer to assist in Japanese language education by sending Japanese tutors to universities, the sources said.

Vietnam has been carrying out an economic restructuring program since 1986.

Nakayama will be the first Japanese foreign minister to visit Vietnam since the country was reunified in 1976.

Japan has suspended Official Development Assistance since 1979 following Vietnam's invasion of Cambodia in December 1978.

Nakayama will convey Tokyo's intention that Official Development Assistance will only be resumed if there is a settlement of the Cambodian conflict, the sources said.

Farm Source Hints at Partial Rice Market Opening

OW0606013091 Tokyo KYODO in English 0112 GMT
6 Jun 91

[Text] Helsingor, Denmark, June 5 KYODO—A Japanese Farm Ministry source indicated Wednesday the country may partially open its rice market, depending on "concessions" made by the United States and the European Community in the Uruguay Round multilateral trade talks under way.

"I thoroughly acknowledge the possibility (of Japan's partial liberalization of the rice market). The name of the game is the timing," said the source, who asked anonymity.

The source, from the Ministry of Agriculture, Forestry, and Fisheries, currently is in Denmark to attend the United Nations-affiliated World Food Council.

This was the first time a source in charge of farm negotiations has referred to the possibility Japan is ready partially open the rice market.

Also Wednesday, U.S. Secretary of Agriculture Edward Madigan indirectly asked Tokyo to compromise on the rice import issue saying that the United States supports replacing non-tax import barriers, such as quotas, with taxation of imports. The U.S. was willing to make that change in its own import policies, he said.

The request came at Madigan's meeting with his Japanese counterpart Motoji Kondo.

Kondo, however, told Madigan that quotas limiting imports of production-controlled items are necessary in Japan.

Madigan said that Japan, benefitting from overseas market access for industrial goods, ought to take the initiative in the 108-nation talks held under the General Agreement on Tariffs and Trade.

The talks, which were to end last December, failed to do so because of conflicts over farm policies.

Kondo, however, said Japan already has gone through a "considerable amount of sacrifice" in importing farm goods such as beef and citrus fruits.

Kondo and Madigan are visiting Denmark to attend the four-day ministerial IWC meeting.

More on Comments

OW0606062391 Tokyo KYODO in English 0456 GMT
6 Jun 91

[Text] Helsingor, Denmark, June 6 KYODO—A high-ranking Japanese farm trade official indicated Wednesday Japan is ready to partially open its rice market depending on concessions made by the United States and the European Community in the stalled Uruguay Round of trade talks.

"I thoroughly acknowledge the possibility of (opening up the rice market). The name of the game is the timing," said the official, on condition of anonymity. The official currently is in Denmark to attend the United Nations-affiliated World Food Council.

It marked the first time a Ministry of Agriculture, Forestry, and Fisheries official referred to even a partial liberalization of the rice market.

The official said there is a possibility of a "political decision" by the Japanese Government to solve the issue, but added that a too hasty decision could result in Japan making unnecessary concessions. Leading supporters of the ruling Liberal Democratic Party are rice farmers.

The official made the remarks shortly after ministers of the Organization for Economic Cooperation and Development (OECD) ended an annual meeting in Paris Wednesday after adopting a communique, calling for an ambitious effort to conclude the stalled Uruguay Round by the end of this year.

The communique said the talks have "highest priority on the international economic agenda... Must be brought to a substantial and comprehensive conclusion as early as possible, preferably before the end of the year.

"Political decisions to overcome major existing differences are needed by all participants without delay... And substantial progress must be achieved by the end of the summer," it said.

The ministry official said, however, Japan will keep watching for the outcome of negotiations between the United States and the European Community (EC) on farm policy.

The U.S. and the EC have failed to agree on the farm subsidies issue, sending the GATT talks into an impasse, although they were to have been concluded last December.

"The distance between the two are still far apart and it's also a problem that the U.S. is bringing up the issue on replacing nontax barriers with the taxes," the official said.

The government would create a working group to study which barriers on import-controlled items could be replaced with import taxes and which imports must be restricted quantitatively, the official said.

Also Wednesday, Motoji Kondo, Japanese minister of agriculture, forestry, and fisheries, told U.S. Secretary of Agriculture Edward Madigan Wednesday here that imports of "items under production controls must continue to be controlled quantitatively." He also opposed a U.S. request for replacing nontax import barriers, such as quotas, with import taxes.

Madigan said Japan, which is enjoying benefits from access to overseas markets or industrial [word indistinct], ought to take the leadership in the Uruguay Round of trade talks.

But Kondo stressed that Japan has made a considerable sacrifice by liberalizing imports of beef and citrus fruits. The U.S. and the EC should now take measures to cut farm export subsidies, he added.

Kondo and Madigan are currently in Helsingor to attend the four-day World Food Council meeting.

Nissan President Denies U.S. Dumping Charge

OW0606084391 Tokyo KYODO in English 0749 GMT 6 Jun 91

[Text] Tokyo, June 6 KYODO—Nissan Motor Co. President Yutaka Kume denied Thursday that Japanese companies were dumping minivans in the United States as alleged by the big three U.S. automakers, and said their antidumping petition was "very inappropriate."

General Motors Corp., Ford Motor Co., and Chrysler Corp. filed a petition with the U.S. Commerce Department last Friday claiming that Nissan Motor Co., Toyota Motor Corp., Mazda Motor Corp. and Mitsubishi Motors Corp. were setting unfairly low prices on minivan exports to the United States.

Kume said that some of the Japanese car manufacturers were doubted as being engaged in dumping in the past and that therefore "each company has taken care when it comes to setting prices."

Support for Malaysian Economic Group Urged

OW0606061891 Tokyo KYODO in English 0507 GMT 6 Jun 91

[Text] Kyoto, June 6 KYODO—Japan's support for the East Asia Economic Grouping (EAEG) is crucial to newly industrializing countries, and a forum with EAEG candidates is needed to discuss global trade issues, a top Malaysian business official said Thursday.

"With the European Community single market to be realized in 1992 and a possible U.S., Mexican and Canadian trade agreement in the future, further economic pressure on the developing economies in Asia will persist," said Tan Sri Azman Hashim, vice president of the Malaysia-Japan economic association, in a speech at the opening of a two-day annual conference being held in Kyoto by the association.

Last December Malaysian Prime Minister Mahathir Mohamad proposed an economic grouping of East Asian countries when the General Agreement on Tariffs and Trade (GATT) talks collapsed over disagreement between the EC and the U.S. on farm subsidies.

The prime minister envisioned a grouping led by Japan that included South Korea, Hong Kong, Taiwan, and the Association of Southeast Asian Nations (ASEAN).

Japan has taken a noncommittal stance on the proposed group because the U.S., some Pacific countries and other nations fear it may lead to trade protectionism.

Hashim said the idea of forming the EAEG has been misconstrued as another trading bloc.

"I believe that discussions on this issue have deepened the understanding of countries, especially in East Asia, of the need for a joint forum to discuss trade issues with the aim to promote freer and greater global trade," he said.

Malaysia, however, is cognizant of future challenges to its own economy and requires support from industrialized countries, particularly those in the region such as Japan, he said.

In the past few years, Japanese interest in the Malaysian equity market has increased. Japanese representative offices have been set up looking for opportunities in the local stockbroking houses.

Japanese companies also have made inroads in the services industry and have significant investments in local banking institutions and department stores.

Malaysia also has established a Malaysian business council and the consultative panel on trade and industry, modeled on the concept of Japan Inc., he said.

Hashim said Malaysia is confident of Japan's leadership in the region and wants to work closely with Japan in business, trade and investment so it can emerge as an industrialized country.

PRC Dissident Files Lawsuit Against Government
*OW0506153991 Tokyo KYODO in English 1454 GMT
5 Jun 91*

[Text] Tokyo, June 5 KYODO—A Chinese dissident leader of the 1978 Beijing spring pro-democracy movement filed a lawsuit with the Tokyo District Court against the Japanese Government Wednesday urging it to reverse its March 7 decision to deny him political sanctuary.

Zhao Nan, 40, one-time editor of the outlawed dissident magazine "TANSUO" (EXPLORATION), said he took the action because if repatriated to China he would receive "brutal punishment." His lawyer told reporters Zhao's chances of being severely persecuted were increased by the fact that he took over the leadership of a dissident organization, which was branded in 1990 by the Chinese Government as a "counterrevolutionary organization."

Zhao now heads the 120-member Japan branch of the Paris-based Federation for Democracy in China (FDC) which groups some 5,000 Chinese dissidents abroad. Under Chinese law, those convicted of involvement with "counterrevolutionary" organizations face up to life in prison.

Zhao took over as editor of "TANSUO" from Wei Jing-sheng, another Chinese dissident leader, in August 1979, four months after Wei was arrested in Beijing on charges of "instigating counterrevolution and propaganda" in connection with his writings during the Beijing spring democratic movement.

In 1982, Zhao himself was arrested after his magazine continued to criticize the authorities on human rights issues and was imprisoned without trial for two years, first in a jail and then in a labor camp.

After his release he was placed under continual police surveillance for another four years, his lawyers said.

Zhao came to Japan in September 1988 "to study the Japanese economy and social institutions" after being forced to submit a written pledge not to engage in any anti-Beijing activities after going to Japan, lawyers said.

"I changed my mind and started to engage in protest activities after the Tiananmen Square massacre," Zhao said.

Infuriated by the Tiananmen incident, Zhao joined protest rallies and demonstrations in Japan and contributed critical articles to various Japanese and foreign publications, lawyers said.

Although Japanese immigration authorities earlier renewed his visa three times, they turned down his application for another visa renewal October 25, 1990. The Justice Ministry then ordered him to leave Japan by December 26.

On December 6, Zhao filed an application for refugee status, but the petition was rejected March 7.

The ministry claims it turned down Zhao's application as he "failed to meet the legal requirement that the seeker of

refugee status must apply within 60 days of his recognizing the danger of being persecuted upon returning to the country in question."

Kyoji Kojima, the chief of the ministry's refugee recognition office, said, "Zhao should have applied within 60 days after the Tiananmen Square incident. Now he has only to go to a third country if he is concerned about possible persecution in China."

Lawyers refuted this argument in a statement submitted to the court, saying Zhao recognized the danger of persecution only October 25, 1990, when the ministry ordered him to leave Japan.

Until being faced with that order, he had believed in Japan's integrity and was confident that Tokyo would live up to its vow at the 1989 Paris summit of seven Western economic powers to protect Chinese dissidents, they said.

New Vice Finance Minister 'Unofficially Approved'

*OW0606131191 Tokyo KYODO in English 1219 GMT
6 Jun 91*

[Text] Tokyo, June 6 KYODO—Finance Minister Ryutaro Hashimoto has unofficially approved a major personnel reshuffle in the top echelon of the ministry, including the promotion of Budget Bureau Chief Hiroshi Yasuda to vice finance minister, ministry officials said Thursday.

Also under the changes, to be formalized at a regular cabinet meeting Tuesday, Tax Bureau Chief Mamoru Ozaki will succeed Masahiko Kadotani as head of the National Tax Administration Agency.

Vice Finance Minister Masami Kogayu will retire, the officials said.

Jiro Saito, chief of the ministry's Secretariat, will become budget bureau chief, and Saito's current post will go to Kyosuke Shinozawa, now financial bureau chief.

Eisuke Hamamoto, deputy vice minister of policy coordination, becomes tax bureau chief, while Nobuyuki Tera-mura, head of the Secretariat of the Economic Planning Agency, will head the financial bureau.

Michihiro Yoshida, a Bank of Japan policy board member, will be appointed chief of the ministry's Customs and Tariff Bureau. Yoshida will be succeeded by the ministry's councillor, Sohei Hidaka.

The Mint Bureau will be headed by Hisashi Tanaka, now deputy chief of the financial bureau, while Toshimi Konno, chief of the Banking Bureau's banking inspection department, will be promoted to Printing Bureau Chief.

Banking Bureau Chief Masaaki Tsuchida and Securities Bureau head Mitsuhiro Matsuno will both retain their posts, as they are in charge of planned financial system reforms.

Makoto Utsumi, vice finance minister for international affairs, and Tadao Chino, international finance bureau chief, will also remain until the London summit meeting of the seven leading industrialized democracies in mid-July.

Report on Nuclear Plant Radiation Leak Published

OW0606113891 Tokyo KYODO in English 1050 GMT 6 Jun 91

[Text] Tokyo, June 6 KYODO—A government report published Thursday blamed the incorrect installation of a part at the Mihama Nuclear Power Plant in Fukui Prefecture for a radiation leak in February.

The interim report on the accident at Mihama Nuclear Plant's No. 2 reactor of Kansai Electric Power Co., prepared by the Natural Resources and Energy Agency, said an antivibration bar (AVB) was not installed correctly.

The Mihama spill occurred when the reactor's emergency core cooling system (ECCS) was activated, averting a possible meltdown, in the first incident of its kind in Japan.

Investigations showed one of the pipes in the steam generator had broken.

Kansai Electric Power failed to notify Mihama town authorities, in central Japan, of the radiation leak until two hours later.

The report, submitted to a special committee investigating the accident, said the incorrect installation of the avb caused vibrations, which resulted in metal fatigue.

The AVB, which is supposed to hold together the tiny pipes carrying high-pressure boiling water in a series of loops in a nuclear reactor's steam generator, is designed to reduce the vibrations that can cause metal fatigue.

The Ministry of International Trade and Industry (MITI), on receiving the report, announced a four-point program for safety improvement at nuclear power plants in Japan.

The program called for regular inspections of the AVBs, stricter monitoring of pipes in steam generation development of systems to prevent human error, and improved contact with local authorities.

The report neither gave specific information on how the incorrectly installed AVB part led to the accident, nor provided possible preventive measures.

Opposition Party 'Should Recognize' SDF

OW0606140791 Tokyo KYODO in English 1341 GMT 6 Jun 91

[Text] Tokyo, June 6 KYODO—The Social Democratic Party (SDP), the country's biggest opposition party, should recognize the existence of the Self-Defense Forces (SDF), a senior party member said Thursday.

House of Representatives member Kosuke Uehara made the remark in an opinion paper he will submit Friday to a party reform committee, which has been set up to review the SDP's fundamental policies.

Uehara is chairman of a party group reviewing the Japan-U.S. Security Treaty, the SDF, and disarmament.

Uehara said the war-renouncing Constitution does not deny the right to self-defense, an inherent right of every country.

The SDP Diet member advocated "limited defense" instead of the "exclusive defense system," set up by the ruling Liberal Democratic Party (LDP), which he said had strengthened the SDF and its armaments.

Uehara did not clarify the limited defense term, but said Japan should reorganize and trim the SDF, and study the military's legal standing.

He did not comment on whether the SDF is constitutional, saying judiciaries and the Japanese people should decide that.

Meanwhile, the left wing of the SDP has submitted a proposal to Makoto Tanabe, a party vice chairman, saying the SDF and the Japan-U.S. Security Treaty are unconstitutional.

The left wingers said in the proposal the easy change of policies in pursuit of seizing political power will lead to a "second" conservative party in Japan after the LDP.

Kaifu Urges Draft Plan of Electoral System

OW0606094491 Tokyo KYODO in English 0918 GMT 6 Jun 91

[Text] Tokyo, June 6 KYODO—Prime Minister Toshiki Kaifu on Thursday asked the Election System Advisory Council to compile a draft plan for electoral distribution based on a ruling Liberal Democratic Party (LDP) proposal.

Kaifu called for a system that combines single-seat constituencies and proportional representation for the House of Representatives.

He said there were differences between the outlines of the LDP-proposed package of political reform bills and the council's report over the number and distribution of electorates. He urged the council to stick to the party's plan for redistribution.

The council responded it would give Kaifu a reply around June 25.

At present, 130 constituencies are represented in the lower house, each with two to six seats.

The LDP plan calls for the election of 300 of the 471 members of the lower house from single-seat constituencies and the remaining 171 through the proportional representation system.

But the council has called for a total of 500 lower house seats with 300 of these chosen from single-seat constituencies and 200 through proportional representation.

The LDP wants the single-seat constituencies distributed among all 47 prefectures with the remainder allotted on a population basis, whereas the council wants all single-seat constituencies allotted according to population.

Kaifu said the LDP proposal was a result of extensive intraparty discussions.

The government hopes to draft bills based on the council's recommendation [by] the end of June for submission to the Diet.

North Korea

U.S. 'Outcry' Over Nuclear Threat 'Sheer Lie'

SK0606104191 Pyongyang KCNA in English
1013 GMT 6 Jun 91

["U.S. Outcry Over 'Nuclear Development' Is Sheer Lie"—KCNA headline]

[Text] Pyongyang June 6 (KCNA)—If the United States is truly interested in removing the nuclear threat and preserving peace on the Korean peninsula, it must give up its foolish attempt to put international pressure on the DPRK over fictitious "nuclear development" and correct its wrong policy toward Korea.

NODONG SINMUN says this today, commenting on the distorted reports of mass media of U.S. imperialism and some Western countries about the DPRK's "development of nuclear weapons."

The news analyst says:

The U.S. authorities are spreading false rumours through their official statements that the DPRK is developing nuclear weapons and rejecting nuclear inspection and inveigling into this campaign some paid media of France, South Korea, etc.

This fuss is not worth a farthing, as it is based on a sheer lie.

The allegation that the DPRK intends to reunify the country with nuclear weapons and supplies nuclear weapons to other countries or helps them in nuclear development is a mean sophism which can be let out only by master hands at fabrication who are accustomed to distorting facts and reversing black and white.

With such lie the United States schemes to [word indistinct] "nuclear development" by the DPRK a fait accompli, spread nuclear phobia and uneasiness among people, put collective pressure on the DPRK in the international arena and isolate it.

As part of this campaign, the U.S. claims that because the DPRK rejects "nuclear inspection," the improvement of DPRK-U.S. relations cannot be expected and other countries must not improve their ties with the DPRK, either.

We do not oppose nuclear inspection. If nuclear inspection is to be made, not only the North with no nuclear weapons but also South Korea with them must undergo it. This accords with the principle of impartiality and the purport of nuclear inspection.

It is unreasonable and unjustifiable for the United States to raise the problem of unilateral nuclear inspection on the North while keeping a large stock of nuclear arms in South Korea and frequently staging nuclear war exercises against our republic.

As is known worldwide, the United States, deploying nuclear weapons in South Korea, said the weapons were aimed at preventing "southward advance of the Soviet Union." But, the U.S. is keeping more than 1,000 pieces of nuclear weapons in South Korea even today after the

reconciliation between the U.S. and the Soviet Union. This poses a threat not only to the DPRK but also to our neighbouring nations including Japan and all other countries in Asia. The Asian countries need to heighten vigilance against the nuclear weapons deployed in South Korea.

The noisy clamour of the U.S. imperialists about "nuclear inspection" and "nuclear development" shows that the United States, swollen-headed after the Gulf war, directs the sharp edge of its anti-socialist action to the DPRK and stoops to any infamy in its bid to isolate and weaken and stifle our republic with the support of its satellite forces and, furthermore, dominate Asia by strength.

No matter what a crafty trick the United States may employ, it cannot conceal truth nor can it cheat unbiased public opinion.

The United States must discard the anachronistic mode of thinking to impose its will on others from a position of strength.

Attack on South's Acting Prime Minister Viewed

SK0606064391 Pyongyang KCNA in English
0513 GMT 6 Jun 91

[Text] Pyongyang June 6 (KCNA)—Some 1,000 students of [Hanguk] University of Foreign Studies in Seoul on June 3 threw flour and addled eggs at the puppet acting prime minister when he appeared at the university for a "lecture" and pushed him out of the campus gate.

Recalling that it is the first time the "acting prime minister" met with an egg attack by students in South Korea before being thrown out of the campus, a news analyst of NODONG SINMUN today says:

This is a deserved punishment meted out to the No Tae-u military fascist clique bent on murderous repression under the "security-oriented politics".

Far from drawing a lesson from this, the puppet administration is intensifying the suppression of students, threatening that those involved in the attack "would be severely punished". This, however, only betrays their impudence.

The attack on the "acting prime minister" claimed by the puppets was an expression of a strong resistance of students and people against the murderous repressive policy of the No group which brutally killed Kang Kyong-tae, Kim Kwi-chong and other hot-blooded students. It was, at the same time, an eruption of the bitter grudge against the "acting prime minister", a wicked fascist, and an indignation at the No clique which put him at the post of the "acting prime minister".

No Tae-u, political prostitute Kim Yong-sam, the "minister of education" and other riffraff chimed in with each other crying that students' attack on the "acting prime minister" was an "immoral act". If the just action of students against the vicious fascist is "immorality", is their acts of ruthlessly beating to death patriotic students including Kang Kyong-tae and Kim Kwi-chong and

driving them to self-immolation a "good trait"? It is an utterance which can be spelled out only by human butchers.

If the No Tae-u group wants not to get it in the neck again in future, it is well advised to discontinue the fascist rule and step down.

South's Kim Yong-sam's Statements Criticized

*SK0606114191 Pyongyang KCNA in English
0958 GMT 6 Jun 91*

[**"Dirty Mug of Political Prostitute"** —KCNA headline]

[Text] Pyongyang June 6 (KCNA)—Kim Yong-sam, a political prostitute holding the post of executive chairman of the "Democratic Liberal Party" of South Korea, at a social meeting on June 4 branded students' protest against the puppet acting prime minister as "immoral" and cried that they "can never be pardoned," according to a radio report from Seoul.

This is an insult to the eruption of wrath of students who call for the termination of the "security-oriented rule". This reveals once again the ugly sight of Kim Yong-sam, the political charlatan who threw himself into the arms of the murderer No Tae-u with the ambition to seize supreme power.

South Korean people of all strata are now opposing the appointment of Chong Won-sik, who had taken the lead in the crackdown upon campuses, as "acting prime minister", branding him as an understrapper who has taken his post on the forefront of the "security-oriented rule".

It was part of this struggle that students of University of Foreign Studies in Seoul on June 3 locked up the puppet acting prime minister in the campus and severely punished him.

When No Tae-u flew into one of his tempers, crying for "ferreting out" and "severe punishment", Kim Yong-sam, like a dog wagging his tail before his owner, had the impudence to defend the executor of the "security-oriented rule" with outcries for "ethics" and "morality" and demanded a harsh crackdown on the students who took part in the struggle.

Still more disgusting is that he, styling himself a "politician", driveled he "feels responsibility for the fact that things have gone to such an extent on the campus."

It is preposterous for the political prostitute to style himself a "politician" after revolting against the patriotic democratic forces, turning his back on the will of the people for his advancement in life and distinction.

NODONG SINMUN on 'Suppression' in South

*SK0606114491 Pyongyang KCNA in English
1003 GMT 6 Jun 91*

[**"Nature of Murderers Never Changes"**—KCNA headline]

[Text] Pyongyang June 6 (KCNA)—NODONG SINMUN today comments on the ever more open suppression of the South Korean patriotic democratic forces by No Tae-u.

On the 3rd of June No cried that the prosecution should "concentrate" its influence on uprooting the "hardcore of the leftist violent forces". On the same day the puppet minister of justice stated that the prosecution should "sternly deal with" all the forces challenging "government power".

The "prosecutor general" and the "director of the police headquarters" stroke similiar notes.

In the meantime, at dawn on June 3, the fascist clique drove a repressive force into the Daewoo Precision Company in Yangsan and dispersed by force the union members who were holding a strike in demand of the release of the union chairman and demanded 10 years in prison and the same term of suspension of qualification for student Chon Mun-hwan, who was chairman of the preparatory committee of the "National Council of Student Representatives" (Chondaehyop) for the Pyongyang festival, arrested on the charge of the violation of the "National Security Law".

The suppressive orders issued by No Tae-u and his lackeys and the brutal suppression staged on these orders on June 3 alone clearly show to the people that the fascist nature of the murderers can never change, the news analyst says, and continues:

As for the people branded as "leftist violence force" by No Tae-u, they are patriots who demand independence, democracy and reunification in South Korea.

It is none other than No Tae-u himself who resorts to violence in South Korea.

Entrenched in "Chongwadae" behind the curtain of "democratic government", No is forcing a terrible [words indistinct] mailed-fist rule dwarfing the "Yusin" and "Fifth Republic" dictatorship.

He has got no face to talk about someone's "violence".

He is running wild with an unsheathed sword to threaten the people and get rid of the hardcore forces of struggle and thus to head off another June resistance in South Korea.

The suppression, however, will invite a stronger resistance.

Chon In-chol's Return From Beijing Reported

*SK0206041391 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 25 May 91*

[Text] Our country's government delegation led by Vice Foreign Minister Chon In-chol, which was in Beijing, China, to participate in the third round of governmental full-dress talks to normalize diplomatic relations between the DPRK and Japan, returned home today by plane.

Vice Foreign Minister Song Ho-kyong, and (Dong Fenglian), counselor of the PRC Embassy to our country, welcomed the delegation at the airport.

Friendship Delegation Returns From China Visit

*SK0206040791 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 25 May 91*

[Text] The friendship delegation of the General Bureau of Diplomatic Corps Affairs led by Yi Man-sok, director of the General Bureau, returned home today by plane after visiting China.

(Yi Kun-su), deputy director of the General Bureau, and (Dong Fenglian), counselor of the PRC Embassy to our country, welcomed the delegation at the airport.

Youth Delegation Returns From China 26 May

*SK0206040391 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 26 May 91*

[Text] The Korea youth friendship delegation led by Yi Yong-tok, vice chairman of the Central Committee of the League of Socialist Working Youth of Korea [LSWYK], returned home today by train after visiting China.

Yang Tok-ch'an, vice chairman of the Central Committee of the LSWYK, welcomed the delegation at Pyongyang Railway Station.

Vietnamese Embassy Staff Help in Rice Planting

*SK0206052491 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 26 May 91*

[Text] On 26 May, Nguyen Van Trong, Vietnamese ambassador to our country, and staff members of the Vietnamese Embassy, helped with the farm work at the Korea-Vietnam Friendship Cooperative Farm of (Changjin).

The guests planted rice seedlings with the farmers of the first subworkteam of the first work site, who have been accelerating at the last stage to achieve good results in planting rice seedlings.

During the resting time, the farmers and guests sang songs from each other's countries and further strengthened friendship.

Before leaving the farm, the ambassador said that he was deeply moved at all the Korean people who consistently and vigorously carried out the work to plant rice seedlings before the appointed time, and that the Korean people will achieve a bumper crop this year without fail.

He continued to say that the Vietnamese people hope that the farmers here further fulfill the socialist rural theses and achieve greater results in the socialist construction under the wise leadership of President Kim Il-song and Comrade Kim Chong-il who are respected by the Korean people.

Paek In-chun, Delegation Return From Iran

*SK0206040491 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 25 May 91*

[Text] The delegation of the Korea-Iran Friendship Parliamentary Group, led by Paek In-chun, group chairman and vice chairman of the Supreme People's Assembly, returned home today by plane after visiting Iran.

(Kim Yong-ho), vice chairman of the Korea-Iran Friendship Parliamentary Group, and Hasan Dabir, Iranian ambassador to our country, welcomed the delegation at the airport.

Kim Tal-hyon Welcomes Afghan Trade Delegation

*SK0206035791 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 25 May 91*

[Text] The Republic of Afghanistan's Government trade delegation led by Commerce Minister Zakim Shah arrived in Pyongyang today by plane.

Kim Tal-hyon, vice premier of the State Administration Council and foreign trade minister, and Mohammad Kamel Delzada, charge d'affaires ad interim of the Republic of Afghanistan to our country, welcomed the delegation at the airport.

Kim Yong-sun Meets With Australian Professor

*SK0206103391 Pyongyang KCNA in English
0827 GMT 2 Jun 91*

[Text] Pyongyang June 2 (KCNA)—Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea, Saturday met and had a friendly talk with Professor Stewart E. Fraser of [word indistinct] University of Australia.

Kim Il-song Higher Party School Marks Anniversary

*SK0106055991 Pyongyang KCNA in English
0426 GMT 1 Jun 91*

[Text] Pyongyang June 1 (KCNA)—A scientific symposium on the 45th anniversary of the founding of Kim Il-song Higher Party School (June 1, 1946) was held here on May 31.

The speakers said that the school which was founded with the great leader President Kim Il-song as its first president has covered a brilliant road of victory and glory through the proud struggle to implement the party's chuche-based policy of training cadres.

Recalling that President Kim Il-song founded the higher party school and indicated the road ahead of the school in each period and at every stage of the development of the party and the revolution, the speakers said that he propounded an idea of training active party officials and thus provided a highly important guideline to be invariably adhered to by the school.

They said that the dear leader Comrade Kim Chong-il expounded an idea on conducting the education in principles as the main task so as to bring a new turn in education and training.

The school has made a great contribution to strengthening our party and developing the party work under the wise guidance of the great leader and the dear leader, they said, adding:

The school has greatly contributed to developing the party work on to a higher stage in compliance with the requirements for developing the party and revolution by producing a large number of party officials of *chuche* type and added luster to the immortal *chuche* idea and the *chuche* theory of the party building by widely explaining and propagandizing them.

A photo and book exhibition celebrating the 45th anniversary of the founding of Kim Il-song Higher Party School opened at the school on May 31.

Displayed at the exhibition were photographs showing the proud road covered by the school and many books written and published by the teaching staff for education and training.

Kang Hui-won Attends Friendship Gathering

*SK0106152691 Pyongyang KCNA in English
1516 GMT 1 Jun 91*

[Text] Pyongyang June 1 (KCNA)—A friendship gathering of Pyongyang and foreign women and children was held at the Mangyongdae fun fair today to mark the 41st anniversary of the June 1 International Children's Day.

Present there were Kang Hui-won, alternate member of the Political Bureau of the C.C. [Central Committee], the Workers' Party of Korea [WPK] and vice-premier of the Administration Council, Kim Chung-nin, secretary of the C.C., the WPK, and officials concerned.

Invited there were wives of foreign diplomatic envoys and foreign women and children in Korea.

The participants deepened the feelings of friendship, playing sports and amusement games.

After the gathering, they spent a pleasant time using fun fair facilities.

Editorial on Children's Union Anniversary

*SK0606115291 Pyongyang KCNA in English
1022 GMT 6 Jun 91*

[Text] Pyongyang June 6 (KCNA)—NODONG SINMUN today in an editorial dedicated to the 45th birthday of the Korean Children's Union (KCU) calls for fully preparing the Children's Union members to be successors to the revolutionary cause of *chuche*.

The editorial says:

The founding of the KCU inheriting the red flag of the Saenal Juvenile Union and the anti-Japanese children's corps personally organised by the great leader Comrade Kim Il-song in the period of the anti-Japanese revolutionary struggle was an epoch-making event of historical significance in the development of the children's movement of Korea.

Over the past 45 years since its founding, the KCU has covered a worthwhile and glorious course.

The Children's Union members, our rising generation, have invariably traversed a course of loyalty under the guidance of the party and the leader in the glorious days

and rigorous days and are growing to be reliable successors to the revolutionary cause of *chuche*. This is one of the most precious exploits of our party and a great joy and pride of our people.

The dear leader Comrade Kim Chong-il said:

"The younger generation are the people who are to carry forward the revolutionary cause of *chuche*. The victorious advance of our revolution and its future depend largely on how we educate them, the heirs to the revolution."

The dear leader wisely guides the work of bringing about a radical turn in the work of youth and children as demanded by the developing reality.

He saw that the first national meeting of the Children's Union in history was convened this time and sent a congratulatory message of the party Central Committee to the participants in the meeting. This was a great honour for the Union.

The congratulatory message will serve as a highly important guideline in bringing about a new turn in the Children's Union work as demanded by the developing revolution.

The educational institutions and Children's Union organisations should fulfil the tasks set out in the congratulatory message to the letter.

NODONG SINMUN Praises Socialist System

*SK0606040291 Pyongyang Korean Central
Broadcasting Network in Korean 0014 GMT 1 Jun 91*

[NODONG SINMUN 1 June special article: "Our Socialism Which Has Taken Root Deep in the People's Minds Is Invincible"]

[Text] A long time has passed since the *chuche*-oriented road of socialism was charted under the leadership of the great leader Comrade Kim Il-song, and our people are today leading a rewarding and happy life under the socialist system. Socialism has taken root deep in the minds of our people, and it has been cherished deep in their hearts as firm and invariable faith.

Our people today firmly believe that our socialist society is precisely a most outstanding society in which mankind's ideals and desires can fully bloom. They also have great pride and dignity over and attachment to the socialist life that they enjoy. No force can destroy our socialism, which is absolutely supported and unanimously favored by the broad popular masses, including the working class, farmers, working intellectuals, and soldiers, and, which the party and the people are developing, firmly uniting as one mind and one will. It will win victory after victory, displaying its superiority and strength forever.

1. The socialism of *chuche* which has been built under the wise leadership of the party and the leader is shining as the solidest socialism which has taken firm root in the minds of all of our people.

The great leader Comrade Kim Il-song has taught: Socialism in our country has taken root deep in the minds

of the people, and our people's firm faith in socialism cannot be destroyed by anything.

Today, our people have boundless attachment to and the dignity of socialism of our style which has been built by our own strength under the leadership of the party and the leader, and they think that they cannot live even for a moment apart from it. The firm faith of our heroic working class is that our society, the society of the working class, is the best, and the firm faith of our agricultural working people, as well, is also that our rural economic system under which our socialist rural theses are being brilliantly implemented is the best and the most superior. The faith of our Army, as well, is that the cause of our party, the revolutionary cause of *chuche*, is precisely the most just and greatest cause that our soldiers should defend, sacrificing their lives. For our intellectuals, they have the great honor of devoting their wisdom, ability, and technology for the party, the revolution, and the people's happiness as the eternal companion, reliable defender, and outstanding adviser of the party. The hearts of children, youths, and students of the new generation are filled to overflowing with their boundless gratitude toward our society which brings up, teaches, and puts them at the forefront free of charge.

Thus, our socialism has taken root deep in the minds of our people, and our people cherish in their hearts as their firm faith that the socialism that they have built is most superior. The noble revolutionary traits of our people, who have cherished deep in their hearts a firm faith in socialism, are clearly proven by the fact that they completely identify their destiny with socialism.

For the people who are carrying out the revolution, it is the honor and value of their lives to struggle for socialism. Those who think that they can enjoy a happy life without struggle and apart from socialism are not revolutionaries. Whether or not one's faith in socialism is thorough rests with whether or not one is determined to struggle for socialism forever, sharing one's destiny with socialism to the end.

In our country socialism and people form one integral community of destiny which can never be divided. Our own style of socialism is immediately the destiny, dignity, and pride of each man of our people. Today our people leave their own destiny and that of their posterity entirely to the bosom of the socialist fatherland and look for honor, happiness, and brilliant future only on the socialist road. Our people, who are enjoying to their hearts' content an independent and creative life under the most superior socialist system under which man is centered, refuse to take any other road than that of socialism even for billions of ounces of gold. They hold the socialist fatherland dearer than their own lives.

Such outstanding acts as to believe only the great *chuche* idea, to look for the value of life and happiness only in the socialist life, and to hold the interests of the party and the revolution and the security and prosperity of the socialist

fatherland dearer than their own interests can be seen only among our people who completely identify socialism with their destinies.

Identifying socialism with their destinies, our people firmly believe the final victory of socialism of our style as they believe themselves, and they never waver no matter which way the wind may blow. Thus, in the banner that our people are advancing, holding aloft, only the letters of faith, which read "Those who are cowardly, leave us if you want, we will defend the red flag" is shining. As long as there are such revolutionary people who are devoting their all to safeguarding, defending, and glorifying socialism, while regarding it as their destiny, our own style of socialism will be defended and glorified forever.

The revolutionary traits of our people who keep faith in socialism deep in their minds are also clearly demonstrated in infinitely treasuring all victories, achievements, and assets gained in the struggle for socialism under the leadership of the party and the leader and in resolutely safeguarding and defending them.

The cause of socialism is a long-term cause which is to continue generation after generation, and it is, therefore, consummated through the course of constantly consolidating and developing victories and successes gained by previous generations. Therefore, communists and the people who are carrying out the revolution should boundlessly treasure the already attained socialist gains and should resolutely defend and protect them under all circumstances, because otherwise the cause of socialism cannot be consummated to the end.

Our people are the resolute people who do not have the slightest degree of vacillation in maintaining the principled line of safeguarding, defending, and adding luster to the achievements registered by the party and the leader, that is to say, the gains of socialism. The invincible party, the revolutionary government, the firm self-reliant national economy, and the immortal revolutionary tradition, as well as, all great victories and achievements and all precious gains of socialism that our people have attained in the course of the struggle for socialism under the wise leadership of the party and the leader are not only the symbol of the honor and dignity of *chuche* Korea, but are also the firm foundation of ages for the final victory of the revolution.

Clearly knowing this, our people never tolerate any factor which damages the gains of socialism and deem it their great honor to sacrifice their lives for safeguarding and defending them. Thus, in our country the immortal achievements that our party has registered in all fields of the revolution and construction by embodying the *chuche* idea have been thoroughly safeguarded and defended and are brilliantly shining. They have also been extensively inherited and developed. The principled stand and attitude of our people in resolutely defending the valuable achievements attained on the road of socialism under the leadership of the party and the leader concentrically manifest in thoroughly smashing the imperialists' maneuvers against socialism in particular.

By strengthening the centralized leadership of the party and the state in the whole society and by thoroughly combining the mass line and the class line our people have firmly strengthened the political and ideological foundation of the socialist system and unstintedly enhanced the superiority of the planned economy of socialism based on collectivism. In the field of ideological and cultural life, as well, our people's class stand is very firm and invariable. Our people, who are resolutely defending their superior socialist system with high class consciousness, are not infected with the wind of liberalization, egoism, and loafing infused by the imperialists and their hired buglers.

When they sing a song, our people sing a revolutionary song worthy of men of the era of carrying out the revolution. When they see a movie or read a novel, our people like a movie or a novel which has sound and constructive content and socialist taste. This is precisely the ingrained life-style of our people. Thus, our society is filled to overflowing only with something of a working class nature and something socialist, and any capitalist elements have been sternly rejected.

Our reality today shows that the class consciousness of the people have been educated in a revolutionary manner amid the bosom of the party and the leader is very high and that these people are not affected by any vicious antisocialist schemes of the imperialists.

The ideological and spiritual virtue of our people who cherish deep in their hearts a firm belief in socialism is also fully displayed in the fact that they have decorated the history of socialist construction with heroic feats. A firm belief in socialism is a source that leads one to display the incomparable spirit of devotion and heroism in the revolutionary struggle and construction. Only if one firmly believes in the justness of the socialist cause and is strongly resolved to carry it out to the end, can one overcome any difficulty and carry out any difficult task.

Today, our people are called heroic people. This is an honorable title that our people have received because they have a firm revolutionary belief, a firm belief in socialism.

No condition, environment, or assigned revolutionary task is a problem to our people who embody as their firm belief the notion that there is nothing that they cannot do as long as there is the wise leadership of the party and the leader, as long as there is a strong basis for the self-reliant national economy, and as long as there is powerful single-minded unity.

Such revolutionary slogans as "What the party decides, we will do" are being displayed today at any fortress or work site where a struggle for production and construction is being waged. Also, learning from the examples of unheralded heroes, everyone is sincerely working at those places only for his party, the revolution, society, and group, not his personal honor or interests, irrespective of whether anyone else is watching him or not. This clearly shows how highly and honorably our people's revolutionary spirit is being displayed. This is a noble virtue that can only be found in our people who have thorough loyalty toward the party and the leader and a firm belief in socialism.

Not merely a few people among our people are highly displaying unfaltering devotion in socialist construction. It is being, literally, popularly and collectively displayed by the workers, peasants, working intellectuals, and all other members of society.

At Yongyang Mine, widely known as a first-class mine, you can witness the innovative achievements in which all the platoon members are heroes; at the Sohae Lock Gate, which was built a few years ago, you can hear the proud story that numerous heroes and award winners are born at the same time; and at the construction sites of the Tongil street and the Sariwon potassic fertilizer complex, which are seething with a struggle to create a new speed of the nineties, you can watch builders wage an indomitable struggle to run and run and to hasten construction by making one day equal to ten days or a hundred days. At present in our country, there are numerous plants, enterprises, and work teams that have won the red flags of three revolutions in the flames of popular heroism, and their ranks are increasing every day. This means that heroism has become a common virtue to our people and that their revolutionary ardor with which to brighten our style of socialism is very high. Because not just one or two people but all the people are carrying out the socialist cause by displaying unfaltering devotion and heroism, our party's ideas are always blossoming into great realities, and our fatherland is prospering as time goes by.

2. The fact that in our country today socialism is deeply rooted in the people's hearts and that all the people are persistently marching forward with an unshaking belief in socialism is fundamentally based upon the wise leadership of the party and the leader.

Comrade Kim Chong-il, member of the Presidium of the Workers Party of Korea [WPK] Central Committee Political Bureau and secretary of the Party Central Committee, has pointed out: Our people see their brilliant future in the leadership of the WPK and have the firm belief of sure victory that as long as there is the party's leadership, they will be able to complete the chuche revolutionary cause without fail.

The leadership of the party and the leader is the lifeline of the socialist cause. All the problems in advancing the socialist cause, including the problems of strengthening main forces in the socialist cause, presenting correct strategies and tactics, and consistently adhering to and implementing revolutionary principles, can only be solved under the party's leadership. Therefore, only when they are under the revolutionary leadership of the party and the leader, can the people, strongly united into a social and political organism, build socialism along the correct road and have confidence in the future of the revolution.

Consequently, the communists and the people who are carrying out the revolution have a firm belief for sure victory and in socialism because the leader [yongdoja] is great. People who are marching forward under the wise leadership of the great party can always create the history of ever-victoriousness, and, therefore, have a strong belief in the victory of the revolution and socialism. However,

people who are otherwise do not have a high revolutionary ardor nor a strong belief in socialism because they suffer failures and twists and turns and struggle and live hopelessly. That only when there is the wise leadership of the party and the leader, there is ever-victorious and invincible socialism and that the people have a firm belief in socialism is a stark truth that is shown in the long history of the communist movement and reality.

Because they have upheld the respected and beloved leader Comrade Kim Il-song, whom they received for the first time in thousands of years of national history, at the vanguard of the revolution and, following the tested leadership of the honorable party, our people have come to successfully build the most excellent socialism and take pride in being revolutionary people who have an incomparably firm belief in socialism.

In our country, the socialist cause has been cultivated and victoriously advanced under the leadership of the party and the leader, and the struggle to complete this cause is being organized and led by the party and the leader. Apart from the wise leadership of the respected and beloved leader and our party, we cannot say anything about all the victories and achievements in socialist construction and today's proud reality in which a new superior man-centered socialist life unfolds, and cannot think of the revolutionary virtue of our people who firmly believe in the ultimate victory of the *chuche* cause. To our people, a belief in socialism means a belief in the greatness of the respected and beloved leader Comrade Kim Il-song, who, after charting the destinies of the era, the revolution, the fatherland, and the nation, has led our revolution at the vanguard for more than 60 years, and an absolute belief in the greatness of our party which, upholding the banner of modeling the entire society after the *chuche* idea, is inheriting Korea's bloodlines and endlessly brightening our style of socialism.

The characteristics of our people's socialist belief and the firmness of their belief lie in the fact that through a long, arduous struggle that has lasted not merely one or two days but tens of years, they have firmly believed in how great their party and their leader [*suryong*] are and how wise their leadership is and have been consolidated by the party and the leader.

Our people have come to cherish a belief in socialism deeper in their hearts than anyone else because they, under the leadership of the party and the leader, have carried out the revolution based upon the most correct guiding idea, the *chuche* idea, from the very beginning.

As the respected and beloved leader Comrade Kim Il-song has taught, a guiding principle plays the role of compass in the social and historical movement. Just as a ship floating in the vast sea can sail toward its destination along a correct route only when it has a compass, one can walk along the straight road of victory without any trivial twist and turn in a struggle to build socialism only when there are a scientific guiding idea and correct leadership.

A decisive guarantee for successfully building socialism in each of the countries that have different characteristics lies

in carrying out the revolution in each country's style based upon its own guiding idea, and people of such a country can hold fast to national sovereignty and dignity generation after generation and carry out the revolution to the end.

A belief in socialism means a belief in the socialist ideas and a belief in the revolutionary ideas of the leader [*suryong*] of the working class. Therefore, for the communists and people, a belief in ideas other than the revolutionary ideas of their party and their leader is unthinkable. Defending and holding fast to the revolutionary ideas of the leader [*suryong*] means holding fast to the revolution and socialism.

Our people are very proud people who have struggled under the uplifted banner of the *chuche* idea from the first day when they began to cultivate the revolutionary road. As a creative idea that reflects the popular masses' aspirations for independence and the demand of our era, the *chuche* idea, which the respected and beloved leader Comrade Kim Il-song created, most correctly elucidates the future road of the revolution for achieving the people's independence.

From the initial stage of pioneering the revolution, our people possessed the great *chuche* idea. Therefore, all issues that were brought forth in the revolutionary struggle and construction work were resolved not through existing formulas or policies of other countries, but through our own style by standing from the position of the *chuche* idea. Also, our people were always able to enhance the ever-victorious history without the slightest twists and turns.

The reason our people were able to possess a strong and mighty party and revolutionary government, and an invincible army, which was never before possessed in history, was due to the great *chuche* idea. Also, the reason our people were able to thoroughly carry out the socialist revolution during the shortest period of time and vigorously launch a strong socialism which was elucidated with self-dependence, self-support, and self-reliant defense, was due to the embodiment of the *chuche* idea.

Brilliant victories and results were achieved in the revolution and construction and a great reality was created under the banner of the *chuche* idea. Through the process of enhancing the dignity of the fatherland and nation with each passing day, our people possessed the firm conviction that the *chuche* idea, which the respected and beloved leader Comrade Kim Il-song created, is indeed the most correct guiding ideology in the revolution of our era, and that the socialist cause can be completed to the end when struggle is carried out under the guiding principle of the *chuche* idea.

Our people's faith toward socialism is a conviction of the correctness and invincible vitality of the *chuche* idea, and an unwavering determination to carry out the revolution to the end according to the road to which the *chuche* idea directs.

If our people did not have their guiding ideology, that is, the *chuche* idea, and regarded the existing formula as

absolute and carried out the revolution through dogmatic means, our own style of socialism which is superior and unique could not have been constructed, and our people would not have been able to boast of being people who have a clear-cut faith in the future and socialism of today. Our people have never thought about our own style of socialism or their bright future without thinking about the great *chuche* idea.

The greatness of the nation is determined according to the greatness of the guiding ideology, and the people's faith to construct socialism by adhering to the great guiding ideology cannot be upset by anything.

As long as there is the wise leadership of the party and the leader, and the immortal *chuche* ideology which elucidates the road to carry out the revolution, socialism cannot by any means be separated from our people, and our people and our own style of socialism will unite as one forever to move toward the one road of victory.

Another reason why our people have especially deeply rooted faith toward socialism today, is that the whole party and all of society achieved the most durable single-hearted unity under the wise leadership of the party and the leader.

Faith toward socialism is the determination that arises from faith of the revolutionary *chuche* strength. The revolutionary *chuche* strength means the cohesion and unity in which the broad popular masses are firmly united around the party and the leader.

The strength of the popular masses which is firmly united around one social and political organic body centering around the party and the leader is inexhaustible. The people who are united as such resolutely adhere to the revolutionary banner overfilled with faith and optimism in whatever circumstance.

Cohesion and unity which is firmly united under one mind and the one intention of the party, the leader, and the popular masses is an ever-victorious weapon, and a nation and country which realized this kind of unity can continue to carry out the revolution generation after generation and display their dignity to all the nations of the world.

We realized the most solid cohesion and unity, that is the single-hearted unity of the whole party and all of the society, which has never before in history been achieved.

The appearance of our society is that all the people, regardless of being workers, peasants, soldiers, or intellectuals, firmly arm themselves with our party's revolutionary ideology; firmly unite according to revolutionary integrity and brotherly love; and endlessly carry out loyalty and filial piety toward the party and the leader.

For our people there is only one ideology, one goal, and one rule and order. The invincibility of the cohesion and unity of our people in which ten million people speak the same way whenever they talk and walk in the same style whenever they walk, was already clearly displayed through numerous miraculous results in our revolution and construction.

Since our people possess this kind of just invincible cohesion and unity that can be boasted of to the whole world, our people have the firm faith of achieving the ultimate victory in the socialist cause and do not fear anything even though our people are faced with all kinds of barriers.

Our people are persistently struggling with a firm belief that no matter how powerful imperialist forces of aggression may launch an invasion, they can defeat them at a blow, that no matter how enormous a socialist construction project they are assigned to, they can easily carry it out, and that no matter how violent a storm of history they may face, they can hold fast to the revolutionary banner to the end. This is the revolutionary virtue of our people who are living in a proud country in which single-minded unity is achieved. The unity and cohesion of our revolution is being strengthened as time goes by under the leadership of our party, which is marching forward under the slogan of modeling the entire society after the *chuche* idea. Thanks to this proud reality of our revolution, our people's strength will grow a hundred or thousand fold, and thanks to this invincible strength, our style of socialism will be ever-victorious.

That our people have come to cherish a belief in socialism deeper in their hearts than anyone else is related, to an important degree, to the fact that under the party's leadership, they are living and carrying out the revolution in the most excellent *chuche*-oriented socialist society that the world's people envy.

Each social system strongly affects its people's ideological and spiritual world. A social system whose prospects are bright and filled with hopes gives worthwhile lives and happiness to its people, and a social system that is on the way to destruction gives pessimism and despair to its people.

The happiness of the people who have successfully built the tower of socialism and who have begun to enjoy the most excellent new socialist lives earlier than anyone else is incomparably great, and their love for and belief in socialism is not shaking under any circumstances. Genuine socialism, which mankind has dreamed of as an ideal and which numerous revolutionaries have struggled for even by risking their lives, has been wonderfully built today in our country. The state wholly and responsibly takes care of the people's lives under our country's socialist system in which everything serves the popular masses.

Our people who are living in a country where the free compulsory educational system and the free medical care system have been implemented and where even the word tax has disappeared feel in their hearts how valuable their new socialist lives are.

Our people once lived while suffering all forms of mistreatment and humiliation under decades of colonial rule. Our people who began to enjoy freedom and happiness and to display national honor and dignity for the first time under the *chuche*-oriented socialist system which was erected by the great leader Comrade Kim Il-song and which is being

brightened by our party will in no way lower the socialist banner or repeat their painful past.

There can be nothing that imperialism and capitalism can give to people who are carrying out the revolution and working. If there is anything capitalism did to mankind and the world, it would be that it has led billions of people to suffer from starvation and poverty, the harshest exploitation and mistreatment, injustice and misfortune.

Because they know very well the difference between the rotten capitalist lives and our socialist lives in which all the popular masses, as masters of state and society, are enjoying independent and creative lives to their hearts' content, our people are ardently resolved to make no concession with regard to our *chuche*-oriented style of socialism but instead to eternally brighten it. Therefore, our people are thoroughly destroying all forms of antisocialist maneuvers by the imperialists with a high class consciousness and patriotism and scoring new revolutionary upsurges on all fronts of socialist construction. Truly, a belief harbored by people, who have achieved single-minded unity with the most correct guiding idea under the wise leadership of the party and the leader and who have built the most excellent and unique socialism, is an absolute and firm one that cannot be shaken by anything.

Our people's belief in socialism, which was born and firmly consolidated based upon a great source and a great reality that will be brilliant no matter how many generations may come and no matter how much time may pass, will not be shaken even though billions of years may pass.

Today, we are vigorously accelerating socialist construction under the uplifted banner of the *chuche* idea. All the struggles that our people are waging in the nineties are worthwhile tasks designed to steadfastly defend and adhere to our style of socialism which was built by the great leader Comrade Kim Il-song and which is being led by our party, and honorable struggles to more vigorously demonstrate the honor and dignity of the *chuche* fatherland. Highly conscious of this duty of the era, we must more highly display the revolutionary spirit and combat capabilities and must unchangingly adhere to a socialist belief that we cherish deep in our hearts.

If one has loyalty toward the party and the leader and a strong belief in socialism, then, just like anti-Japanese revolutionary fighters, he can become a hero whom the people, the fatherland, and the era recognize, and a loyalist and indomitable fighter in defending the party and the revolution and will brighten our style of socialism just like the working class in Kangson or the grandmother (Tae-song).

Today, our party is mapping out a grand plan to fully display the superiority of our country's socialism and to provide happier and more worthwhile lives to our people and is energetically leading the struggle to carry out this plan. In hearty response to the party's intention, we must score great revolutionary upsurges on all the fronts of socialist construction and fill the entire country with the spirits of creation, struggle, advance, and innovation.

Nothing can stop the people from aspiring for independence and marching forward toward socialism. The revolutionary cause of our people who, taking great national pride in the fact that they have built the most excellent socialism under the wise leadership of the party and the leader and loudly singing the songs of struggle and victory, are vigorously marching forward is eternally ever-victorious and invincible.

Socialism Centered on 'Popular Masses' Lauded

SK0606033991 Pyongyang Korean Central

Broadcasting Network in Korean 0008 GMT 4 Jun 91

[NODONG SINMUN 4 June special article: "Our Own Style of Socialism Is Socialism That Completely Embodies the Desire and Demands of the Working Class"]

[Text] Fully explaining in his historical document "Our Own Style of Socialism Centered on the Popular Masses Is Invincible, Ever-Victorious" the essential feature of our own style of socialism centered on the popular masses which has fully embodied the great *chuche* idea, the dear leader Comrade Kim Chong-il has made clear that our own style of socialism is one that has embodied the desire and demands of the working class most completely.

The dear leader Comrade Kim Chong-il has noted: Our own style of socialism centered on the popular masses is socialism that has most thoroughly embodied the desire and demands of the working class.

This thesis is the classic definition of the basic feature and class nature of our own style of socialism centered on the popular masses. The basic element that defines the class nature of society is determined by the ideological basis of the society and the demands and interests of the class and social groups it embodies.

Socialism is a society based on the revolutionary ideology of the working class and the pull and superiority of socialism is guaranteed by the scientific, revolutionary nature and practicality of the ideology and theory on which it stands.

The *chuche* idea is the ideological foundation on which our own style of socialism is built. That our socialism assumes the *chuche* idea as its ideological foundation is the reason why our own style of man-centered socialism becomes one that most completely embodies the desire and demands of the working class.

The *chuche* idea, which was established by the great leader Comrade Kim Il-song, is the revolutionary ideology of the working class which has embodied the desire of the working class.

Man which the *chuche* idea makes out to be the master of everything, as well as the most valuable and powerful being is none but the working masses. The *chuche* idea defines the working class as the core unit of the driving force behind the revolution.

The main driving force behind the revolution is the united body of the leader, party, and the masses. The working

class plays the leading role in uniting around the party and leader and in honoring the party and leader.

The working class is the class that has embodied the essential demands of man for living and developing independently and creatively at the highest level.

What the working class asks for is to enjoy an independent, creative life after freeing itself from all manner of subjugation and constraints and its historic mission is to completely realize independence for the popular masses after freeing all the members of society from all manner of subjugation and constraints.

Socialism in our country, built as it is on the *chuche* idea, embodies the desire and demands of the working class most thoroughly.

Pulsing in the proud history of building, consolidating, and developing our own style of socialism is the devoted struggle staged and vanguard role played by the working class which is wisely led by the party and leader.

It has been a struggle to build socialism suitable to the desire and demands of the working class based on the *chuche* idea. Since our country was a backward, semi-feudalistic, colonial society, the working class was not numerous in the past. However, the working class, an advanced class with the most powerful awareness of independence and revolution-mindedness, constitutes the core force behind the revolution.

Claiming the working class as the leading class of the revolution from the stage of anti-imperialist, antifeudal democratic revolution, the great leader Comrade Kim Il-song assumed the class demand of the working class, along with their national demand, as the starting point of all lines and policies.

All manner of revolutions, ranging from the anti-imperialist national liberation revolution to the antifeudal democratic revolution, the socialist revolution, and socialist construction, have been successfully carried out under the leadership of the working class.

Our working class is now growing stronger without interruption, and, with its role further enhanced, is now successfully realizing the cause of converting the entire society into a working class.

Above all, all the members of society are being converted into the working class in our country, according to the desire and demands of the working class.

By definition, socialism is a society of the working class. A full-fledged, consummate socialist society is a classless society in which all the sectors have been turned into the working class, with all the people becoming the working class and the social relations remodeled on the pattern of the working class.

From the day it made its appearance on the stage of history, the working class has struggled to build a classless society under the slogan of abolishing the class. The cause of abolishing the class and realizing a classless society is the

basic desire of the working class—a historic task claimed by none other than the working class.

Our country, claiming the working class as the leading class of the revolution, is energetically carrying out socialist construction on the strength of the working class.

Not only has our party consolidated the ranks of the working class organizationally and ideologically, but it also actively struggles to have them revolutionized.

It seems to it that the working class raise its revolution-mindedness, organization-mindedness, and discipline-mindedness without interruption by raising the functions and roles of the plants, enterprises, and party organizations and by strengthening the ideological indoctrination and organizational training among the working class. In this way, our party has seen to it that the working class becomes the columns and cornerstones propping up our party and play the leading role in defending and safeguarding the socialist cause.

Our working class is now vigorously struggling in the van of socialist construction under the leadership of the party and leader.

To say that our socialism is a society that has embodied the essential demands of the working class does not mean that it is a society built for the working class only.

The demands of the working class are identical to the demands of all classes and sectors which are concerned about social progress. Society that has embodied the demands of the working class can also be responsive to the demands of the diverse classes and sectors.

The *chuche* idea defines not just the working class, but also the broad masses from all walks of life, including peasants and intellectuals, as the composing elements of the driving force behind the revolution and then requires that their interest be defended.

The peasants constitute the basic composing elements of the driving force behind the revolution along with the working class, thereby becoming the source of energy for the revolution.

Along the road indicated by the thesis on the socialist rural questions, the cause of industrializing and modernizing the agriculture and of converting the peasants into the working class is being brilliantly realized in our country thanks to the working class' guidance to the peasants, assistance to the agriculture given by the industries, and support to the rural community provided by the cities strengthened in all directions.

From the beginning of the revolution, our party claimed the intellectuals as the composing elements of the driving force behind the revolution as well as the major revolutionary force and has led them on a single-track revolutionary road.

Under the leadership of the party and leader, our intellectuals, too, are fully displaying their revolutionary zeal and creative talents in all fields of the revolution and construction as the intellectuals serving for the working class.

At the same time, our country is leading those who have been remolded as the socialist working people, regardless of what classes and sectors they may have belonged to in the past, on the road leading to socialism and communism, with firm trust in them as the durable revolutionary companion, not merely as a temporary companion.

Our country also completely embodies the collective principle in all areas of social life according to the desire of the working class. Collectivism is one of the characteristics that are most essential to the working class.

The working class calls on all the people to free themselves from all manner of exploitation and oppression and form a lasting sociopolitical organic body and live independently and creatively, sharing the same weal and woe, life and death.

The essential demand of the working class is to completely realize independence for all the entire popular masses based on collectivism, while opposing the individualistic egoism.

The demands of the working class as such are identical to the essential demands of men and the common desire of mankind that aspires for independence.

Socialism is a society built on collectivism. Socialist society is such that it places the demands and interests of the social groups united as a single sociopolitical organic body and the demands of the working class ahead of everything.

The *chuche* idea has made it clear that the popular masses, not the individuals, are the driving force behind the revolution and that mankind requires collectivism, not individualism, as its essential demand.

Our country is consolidating and developing the socialist system on the basis of collectivism. Driven by its essential demands, socialism should take the road of strengthening collectivism. Only then can it completely realize independence for the popular masses and make them highly display their creative might.

In our own style of socialism the socialist system is managed and run based on the collectivist principle. By modernizing and industrializing the rural economy even further along the road indicated by the rural thesis, they are being advanced toward a large-scale communist economy and even the plants and enterprises are managed and run in accordance with the demands of the Taean Work Method.

To say that socialism is built on collectivism does not mean to suggest that individual interests are ignored. In socialist society, individual interests and collective interests are identical and individual interests are to be found in collective interests.

In our socialist society in which the *chuche* idea, an idea that regards man as the most valuable being, has been embodied, not only collective interests but also individual interests are valued, and everyone is provided the maximum consideration.

In essence, the superiority of our socialism lies in the fact that each individual develops himself and enjoys happy life amid the collective prosperity and development.

The dear leader Comrade Kim Chong-il's idea that "Our Own Style of Socialism is Socialism that Has Embodied the Desire and Demands of the Working Class" shows that the leadership of the working class should be strengthened.

Since socialist society is a society that has embodied the essential demands of the working class, socialist and communist construction can be realized only under the leadership of the party, the vanguard unit of the working class.

The party of the working class is the one and only guiding force in socialist society. No political organization can substitute the position and role of the party of the working class as the guiding force in socialist society.

To hand over to some political party other than the party of the working class the leadership over socialist society which has embodied the demands of the working class is, ultimately, the same as abandoning socialism.

Apart from the leadership of the party of the working class, it is impossible to guarantee the ideological and volitional unity of the popular masses, to give play to the collective superiority inherent to socialism, or to explore the untrodden road leading to communism.

As the party of the working class, our party is now leading the revolution and construction by taking full responsibility for them.

The position and role of our party as the guiding force of socialist society are firm, unwavering, and absolute.

Our party has assumed the *chuche* idea which is centered on the popular masses as its guiding ideology and the consummation of the cause of independence for the popular masses as its goal to achieve through struggle. Herein lies the basic feature of our party which serves for the working class and the popular masses as the revolutionary party.

Our party which is boundlessly loyal to the working class and people formulates policy only after finding out what the working class and people want, while resolutely defending and implementing the revolutionary principles under any circumstances.

Our people, regarding the Workers' Party of Korea, the party of the working class, as the one and only guiding force, entrust their fate to the party and faithfully upholding the leadership of the party.

The party and leader guide the revolution and construction with its trust placed in the working class and people, while the working class and people uphold the party and leader with their fate entrusted entirely to them. Herein lies the firm guarantee for our own style of socialism to endlessly strengthen and develop itself into a superior socialism in which the desire and demands of the working class have been completely embodied.

When the party members and working people deeply study the ideas and theories contained in the dear leader Comrade Kim Chong-il's document "Our Own Style of Socialism Centered on the Popular Masses is Invincible and Ever-victorious" and cherish them as if they were their own flesh and blood, they will take greater pride in living and carrying out the revolution in our own style of socialism.

KCNA Review of 6 Jun Pyongyang Press

SK0606074391 *Pyongyang KCNA in English*
0455 GMT 6 Jun 91

[Press review]

[Text] Pyongyang June 6 (KCNA)—Papers here today carry a photo-accompanied report that the great leader President Kim Il-song received the president and director general of Organizacion Editorial Mexicana S.A. and president of the Association of the National Olympic Committees, and his companions.

A message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to King Carl Gustaf on the national day of the Kingdom of Sweden is carried in papers.

NODONG SINMUN gives an account of a meeting held to convey as gifts the Hyangsan primary school and the Hyangsan senior middle school built in the area of Mt. Myohyang, a scenic spot, under the care of President Kim Il-song.

The paper informs the readers that Cuban and Lao papers carried "Our Socialism for the People Will Not Perish," a work of the dear leader Comrade Kim Chong-il.

Papers carry accounts of a Pyongyang memorial service on the 65th anniversary of the death of Kim Hyong-chik, an indomitable revolutionary fighter and an outstanding leader of the anti-Japanese national liberation movement of our country, and the memorial address made there by Choe Tae-pok, alternate member of the Political Bureau and secretary of the Central Committee [C.C.] of the Workers' Party of Korea [WPK].

It is reported in papers that party and government cadres, working people, People's Army soldiers laid wreaths at the grave of Kim Hyong-chik and Kang Pan-sok and before the bronze statue of Kim Hyong-chik.

NODONG SINMUN carries messages of greeting sent by the C.C., the WPK to P.V. Narasimha Rao who was elected president of the Indian National Congress Party (I) and to the first national convention of the Liberal Bolivia Movement.

Published in papers is an obituary of Comrade Ho Chong-suk, member of the C.C., the WPK, which was published by the C.C., the WPK, the Central People's Committee and the Administration Council of the DPRK, a brief history of the late Ho Chong-suk and news of the formation of a state funeral committee.

NODONG SINMUN carries an editorial headlined "Let Us Firmly Prepare the Children's Union Members To Be

Successors to the Revolutionary Cause of Chuche", on the occasion of the 45th anniversary of the founding of the Korean Children's Union (June 6, 1946).

Papers inform the readers that the national meeting of the Children's Union closed.

Weeding is being vigorously accelerated on cooperative farms across the country, according to papers.

NODONG SINMUN carries words of members of the delegation of the India-Korea Chuche Society who visited our country under the title "Ideal Human Society Is Being Built in Korea of the East."

Carried in the paper is a declaration on the situation released by the Central Committee of the South Korea National Democratic Front (Hanminjon) on the on-going mass resistance for the termination of the "security-oriented rule" and the ouster of the present "regime".

The paper comes out with commentaries denouncing the No Tae-u ruling group for its brutal repression of patriotic democratic forces and students in South Korea.

Kim Chol-chu University of Education registered as its honorary student martyr Kim Yong-kyun, a student of Andong National College, who had burnt himself to death in protest against the U.S. imperialists and the South Korean military fascist clique, says the paper.

The paper gives an account of the South Korean people's struggle including a report that the South Korean students demanded the resignation of the "acting prime minister".

The paper in a commentary captioned "Anachronistic Mode of Thinking" denounces the U.S. imperialists' anti-DPRK campaign over the nuclear issue.

The press reports that the party and government of China attach importance to the education for the posterity, the 27th summit of the Organisation of African Unity (OAU) opened, the president of Lebanon called upon the people to participate in the reconstruction of the country, Soviet papers lamented over the insolvency of the Soviet Union and the defence minister of Germany made public a disarmament plan.

Papers observe the national day of Sweden.

"Contradictions between the United States and the ASEAN Countries" is the title of a NODONG SINMUN article.

South Korea

Six Soldiers Said Members of Pro-North Group

SK0606012991 *Seoul THE KOREA HERALD*
in English 6 Jun 91 p 3

[Text] The National Police Headquarters [NPH] and the Defense Security Command [DSC] yesterday announced that they have jointly uncovered a pro-Pyongyang underground organization comprising students and graduates of the Seoul National University, the country's most prestigious university.

The NPH said that it has requested arrest warrants for 18 core members of the organization which is alleged to have praised North Korean leader Kim Il-song's "chuche" (self-reliance) ideology.

Among the 18 people for which arrest warrants were sought are six Army soldiers, the NPH and DSC said.

Police said investigation is under way of about 100 members of the organization, self-named "the National Liberation Activists Group," including Yi Chol-sang, chairman of the Student Council of Seoul National University [SNU], who are at large.

The group members, who are all SNU students or graduates, have tried to establish a socialist state through a violent revolution for national liberation and national democracy, according to the police.

Police confiscated from them some 40 kinds of pro-North Korean books and pamphlets.

They are suspected of inciting or spearheading some 60 antigovernment demonstrations, including the recent seizure of the ruling party headquarters, police said.

Police said the activist group members have also published 40 kinds of booklets praising North Korea's chuche (self-reliance) ideology and calling for a socialist revolution.

They have distributed such printed matters at demonstration sites and used them as texts for their group studies, according to the police.

Six soldiers from Seoul National University have tried to instill their socialist ideology into fellow soldiers while serving in the Army, police said.

The "activists" have won some 400 "reserve members" to their side, trying to expand their organization, police said.

Police also said they have let Yi Chol-sang be elected as SNU Student Council chairman and vice chairman of Chondaehyop, or the National Council of Student Representatives, in a bid to grasp the hegemony of the two important student activist groups.

Police said the six incumbent soldiers were transferred to the Defense Security Command.

The National Security Laws bans organization, praise and inspiration of "antistate groups."

Culture Minister Proposes Festival With North

SK0606041191 Seoul THE KOREA HERALD
in English 6 Jun 91 p 2

[Text] The government plans to hold a cultural festival, hopefully with North Korea, this fall in time with the admission of two Koreas to the United Nations, a National Unification Board official said yesterday.

Various events that may be held during the festival include a "public discussion on unification" among South and North Koreans, which North Korea has recently proposed in a radio broadcast, he said.

The idea of holding the festival was put forward by Minister of Culture Yi O-yong during a meeting of the unification-related cabinet ministers yesterday, he said. Other ministers supported the idea, the official said.

Ministers or vice ministers of 15 government ministries, including the Foreign, Defense, Home Affairs, Justice and Finance ministries, attended the meeting which was presided over by Deputy Prime Minister and Unification Minister Choe Ho-chung.

Worker-level officials will soon meet to work out the festival plan in detail, he said. A task force will be formed under the prime minister's office, if necessary.

The ministers also agreed to again urge North Korea to hold the fourth round of the South-North Prime Ministers' talks at "an appropriate time," which had been scheduled for February this year but has been suspended by the North, the official said.

The ministers shared the view that Pyongyang's decision to enter the United Nations would not bring about immediate changes in its policy toward Seoul, he said.

They, however, stressed the necessity for continuous efforts on the side of Seoul, to induce the opening of North Korea and to promote inter-Korean exchanges.

The ministers decided to push ahead the Seoul proposal for concluding a basic agreement governing future relations between the South and the North, he said.

They also agreed that the government should strengthen diplomatic efforts to promote unification after two Koreas enter the United Nations.

North Reportedly To Return More U.S. Remains

SK0606090691 Seoul TONG-A ILBO in Korean
6 Jun 91 p 2

[Report by Yi Nak-yon from Tokyo]

[Text] It has been learned that North Korea has decided to strengthen its diplomatic offensive toward Western countries and speed up work to normalize diplomatic relations with not only the United States but also with EC countries, on the occasion of North Korea deciding to practically accept the ROK's proposal of North-South simultaneous entry into the United Nations.

It was revealed on 6 June by a Tokyo source well-informed on North Korea's movements that North Korea for the second time will return to the United States the remains of U.S. soldiers who died during the Korean war sometime in June, at the earliest. Also, North Korea plans to create a diplomatic environment to normalize relations with EC countries, and after it enters the United Nations in September, North Korea will carry out full-dress efforts to normalize relations with major Western countries via the UN arena.

This source said that to improve relations with the United States, North Korea returned five bodies of U.S. soldiers to the United States in 28 May 1990 and continued: "It is known that North Korea is planning to return more bodies

of U.S. soldiers than the first time. This is to show that preparations are being made to show some kind of sincerity aimed at normalizing relations with the United States."

This source [said] he recently was informed of this fact by a high-level North Korean official and stated: "To promote negotiations with Japan, which is currently in a stalemate, so that diplomatic relations can be established, North Korea is hurrying to improve relations with the United States. It also seems that it intends to improve relations with EC countries to accelerate relations with the United States."

This source said that to overcome the issue of nuclear inspection which is the greatest barrier in improving relations with major Western countries, there is a possibility that North Korea will present a new compromise during the directors' meeting of the International Atomic Energy Agency, which will be held on 10 June in Vienna, Austria. This source added, however, that it is difficult to forecast what its content will be.

Chinese Tourism Officials 'Flocking' to Seoul

*SK3105023291 Seoul THE KOREA HERALD
in English 31 May 91 p 3*

[Text] Chinese tourism officials are flocking to South Korea not only to promote ties but to collect information on Korea's tourist policies as an increasing number of people make trips between China and Korea.

Particularly since the opening of a ferry service between Korea's port of Incheon and Weihai on the Shandong peninsula in mid-September last year, just before the Beijing Asian Games, the number of Korean tourists to China has risen sharply.

"While staying here, the Chinese officials show high interest in information on tourism-related government organizations and private businesses or collecting data," sources at the state-run Korea National Tourism Corp. (KNTC) said yesterday.

Though Korea and China have yet to conclude diplomatic relations, trade and personnel exchanges are soaring on the coattails of exchanges of trade representatives earlier this year.

A three-member Chinese tourist delegation, led by Yang Eryu, vice president of the China Travel Service (CTS), flew to Seoul May 16 at the invitation of Samil Travel Service Co., the KNTC sources said.

The delegation, including Wang Dayan, deputy CTS manager for Asia and Africa, and Jin Yingzi, a sales representative, had consultations with KNTC and other tourist agencies chiefly on how to attract Koreans to China, according to a Samil official.

CTS, a semi-official organization set up last January to promote tourism businesses, is directly controlled by a department of the State Council.

More recently, a four-member Chinese delegation, headed by Hu Guoyou of the China International Trade Service

(CITS), arrived in Seoul May 18 to take part in Trade Exhibition 91 of the China Chamber of International Commerce (CCOIC), which ran May 23 through May 29, they said.

PRC Cuts Into Share of Exports to Markets

*SK1505012691 Seoul YONHAP in English 0039 GMT
15 May 91*

[Text] Seoul, May 15 (YONHAP)—Cheap labor and a drastic devaluation of the Chinese currency are eating away at South Korea's share of exports to major markets, the Korea Foreign Trade Association (KFTA) said Wednesday.

Chinese exports have expanded rapidly during the past few years and will soon be far ahead of Korea's, KFTA said.

In 1988, Korea had exports of 60.7 billion U.S. dollars and China of 47.5 billion dollars. The gap narrowed in 1990 to 65 billion dollars for Korea and 62 billion dollars for China.

During the first three months of this year, the disparity dwindled to less than 2 billion dollars—Korea at 15.3 billion dollars and China at 13.3 billion dollars.

In exports to the United States, Korea topped China by 11.6 billion dollars in 1988, 7.7 billion dollars in 1989, and 3.3 billion dollars last year.

Korea's exports to Japan have been dwarfed by China's already. Korea was ahead of China by 1.9 billion dollars in 1988 and 1989, but in 1990 China pulled in front by 400 million dollars.

KFTA said the continued devaluation of the Chinese yuan over the last three years and low wages were prime factors in the expansion of Chinese exports.

Production line wages increased an average 70.7 percent in South Korea over the last three years, compared with 45.5 percent in China. The Chinese yuan has lost 29.6 percent against the dollar since the end of 1988 and the Korean won fell a mere 5.7 percent.

Firms Complain Chinese Imports Ruining Business

*SK2405031891 Seoul YONHAP in English 0151 GMT
24 May 91*

[Text] Seoul, May 24 (YONHAP)—A deluge of Chinese towels has put one out of 10 South Korean towel makers out of business, at least temporarily, according to the Korea towel cooperatives and business sources.

The sources say China sold 2.67 million U.S. dollars of towels in Korea during the first quarter, and more than 2 million dollars worth in April.

The trend is likely to continue and imports will be almost double last year's, they said. China sold 10.02 million dollars of towels in Korea last year and is expected to top 20 million dollars this year.

Wet towels, given to customers in restaurants to wipe their hands, entered Korea in 1989 and have nearly monopolized the market. Chinese bathroom towels have taken over more than half the Korean market.

There are in excess of 100 towel manufacturers in the nation and more than 10 have cut operations or closed their workshops due to sluggish sales despite local elections and the onset of the picnic season. Towels are one of the most common gifts given out by election candidates and at company picnics.

According to the sources, the import price of a Chinese towel is 30 percent lower than the price of a Korean towel and Hong Kong suppliers usually slash that to half in the high-demand season.

Fanning the situation are the few Korean trading companies that purchase Chinese towels on an original equipment manufacturing (OEM) basis.

"If the government does not allow tariffs on raw material imports and take other steps, the 70 billion-won domestic towel market will be dominated by Chinese towels," a business source said.

Coal Imports From Socialist Countries Listed

SK1305105991 Seoul THE KOREA ECONOMIC JOURNAL in English 13 May 91 p 26

[Text] Korea has been leaning on three socialist countries—China, Vietnam and North Korea—for anthracite coal imports this year.

According to the Daihan Coal Corporation, Korea's anthracite coal import sources, which had included the U.S. and the Soviet Union until last year, are concentrating on the three socialist countries this year. Thus, Korea's anthracite coal imports from the three countries totaled 298,000 tons (258,000 tons from China, 21,000 tons from Vietnam and 19,000 tons from North Korea) during the first quarter of the year. A total of 1.7 million tons will be imported from the three countries by the end of this year.

Last year, Korea imported a 798,000 tons of anthracite coal, of which 438,000 tons were imported from China, 229,000 tons from Vietnam, 95,000 tons from the Soviet Union and 36,000 tons from the U.S.

Samsung To Introduce Soviet Ultramodern Materials

SK2305073791 Seoul CHOSON ILBO in Korean 19 May 91 p 6

[Excerpts] The Samsung trading company is expanding technological cooperation with the Soviet Union by introducing the Soviet Union's technology for manufacturing carbon compound materials, ultramodern new-type materials.

On 17 May, (Gulichuki), vice chairman of the Licensing Trade Association, which is a Soviet channel for technological transfer with foreign countries, revealed: "The Samsung trading company and the Symbollogno [name as transliterated] Company, which is the Soviet Union's

biggest synthetic fiber research institute, concluded a temporary contract to transfer technology for manufacturing carbon compound materials and ultramodern new-type materials used in the aviation industry." [passage omitted]

Samsung revealed that it will also introduce from the Licensing Trade Association, the technology to manufacture dyeing materials used in the precision chemical industry and the chemical process technology, by the end of next year at the latest.

Dailies View Students' Attack on Premier

SK0606111691

[Editorial Report] Seoul Korean-language newspapers on 4 and 5 June carry editorials related to the 3 June incident in which Prime Minister Chong Won-sik was kicked, punched, and pelted with eggs and flour by student activists at the Hankuk University of Foreign Studies in Seoul.

The moderate HANGUK ILBO on 4 June carries on page two a 900-word editorial entitled "Violence on the Prime Minister Is Unpardonable and Inconceivable." Labeling the attack on the prime minister an "inconceivable shocking act," the editorial says it is tantamount not only to "lynching their teacher," but to "attacking their parents." The editorial deplores the violence which it says can only be interpreted as as "an attitude of challenging our government system." The paper calls for thorough investigations into the incident and stern punishment of those involved.

On page 3 of its 4 June edition, CHUNGANG ILBO carries a 1,700-word editorial also entitled "Violence on the Prime Minister Is Inconceivable and Unpardonable." The centrist paper says that on hearing the news of the "unprecedented" attack on the prime minister, the people "seethed with indignation and were at a loss for words." The editorial prescribes the act as "against humanity, anti-intellectual, and running counter to democracy." Describing the motive and aim of what student activists and other dissident organizations call the "struggle for democratization," the editorial declares that the violence against the prime minister can only be interpreted as "a deliberate act in a bid to fan distrust among the people toward government power, law, and order by humiliating and lynching the prime minister, the highest responsible person in government power." It urges the people to make efforts to root out all undemocratic acts from society.

The liberal TONG-A ILBO, on page 2 of its 4 June edition, carries a 1,000-word editorial entitled "Violence Must Be Rooted Out. Students of Hanguk University for Foreign Studies Who Were Involved in the Incident Should Be Punished." Expressing indignation and disappointment over the students' attack on the prime minister, the editorial says: "Seeing the young intellectuals' immoral conduct of humiliating and assaulting an old professor who came to their school for a 'last lecture,' after renouncing their reason, we cannot but express our disappointment. It is a misfortune for the future of the country that there are still young students in our society who have lost genuineness and morality that young intellectuals should possess after

having been swayed by an extreme political ideology." The editorial continues: The students' attack on the prime minister is "an act which has impaired our morality and destroyed our moral value, including the norm of our living, ethics, and decorum."

The editorial then stresses the need to sternly punish those students involved in the attack and, at the same time, urges student activists to renounce their "anachronistic political ideology."

On page 1 of its 5 June edition, the pro-government SEOUL SINMUN carries a 1,700-word editorial entitled "Immoral Act Which Terrorized the Country. If the Current Situation Is Left As It Is, All Our People Will Be Destined To Perish Together." The editorial backgrounds the "so-called struggle for democratization by student activists and other dissident organizations, which has become more violent in recent months." It then says: "In a nutshell, the fact that the prime minister of a country was beaten by a group of students on campus is indeed shameful."

The editorial concludes that the students' attack "teaches us that if we leave the current chaotic situation in our country as it is, all the people are destined to perish." It stresses the need for stern measures to prevent the recurrence of such incidents.

The evening pro-government newspaper KYONG-HYANG SINMUN on page 3 of its 5 June edition carries a 1,000-word editorial headlined "No Tolerance for Violence—Public Opinion Became Angry After Hearing About Violence Against Premier."

Stating that "with the mob attack on Prime Minister, the dissident groups and extremist radical students have lost ground," the editorial says: "The 'silent majority,' which has endured all manner of inconvenience and not said a word about fire bottles and tear gas, for over a month since a student was beaten to death, has now begun to voice its opinion."

The editorial continues: "Citizens who watched TV on the evening of 3 June directed their anger to the news organizations, saying: 'The violence and insanity of the students who have gone berserk can no longer be condoned.'"

The paper notes that the students claim to be advocates of democracy, but actually they have become captives of a certain ideology, who praise the political system in North Korea. As a minority among the student population, the editorial says, they should not be allowed to remain on the campuses. "To keep these radical students off campuses, the majority of the good students who have to date remained mere spectator out of selfishness, eating the bread of idleness, should rise up in defense of their schools."

In concluding, the editorial notes "the important changes in the attitude of the 'silent majority' which has begun to voice its opinion." It calls on the dissident groups to "heed the voice of the silent majority."

On page 3 of its 5 June edition, the conservative CHOSON ILBO carries a 1,000-word editorial under the heading

"Those Involved in Movement Are Corrupted." The editorial says that people saw in the attack on the prime minister "moral backsliding" on the part of students and shudder at the thought that there might be an organized force behind the students.

The editorial continues: The "mob attack on the prime minister does not seem to be accidental. It seems to be a well-orchestrated, premeditated act, and it has left the strong impression that those students who physically abused the prime minister were nothing but perpetrators; they were not masterminds."

Branding the student movement as having become corrupted, the editorial says: "What the force lurking behind them seek to achieve is to create chaos in society." It warns: "The radical students seem to have forgotten one important thing: if they fail to win public support, they have no ground in our society to stand on."

CHOSON ILBO concludes: "Apparently, the mob attack on the prime minister is an act we are ashamed of and deplore. However, we should be wise enough to convert it into an opportunity to start over democratization and bring an end to the extremist radical student movement."

The independent left-leaning HANGYORE SINMUN, on page 2 of its 5 June edition, carries a 1,200-word editorial headlined "Mob Attack on Prime Minister Will Serve as Stumbling Block to Reunification—It Should Never Be Allowed to Be Used as Opportunity To Intensify Crackdown on Dissidents."

Describing the attack as "a great shock," the editorial says: "We find it important to note the fact that this incident took place on campus." Saying that if it had been accidental, an act that spontaneously flared up between the prime minister and students on the street, public criticism would have been far less acrimonious.

The editorial continues: "Regardless of whether they meant it or not, this unfortunate development has dealt a fatal blow to the student activists involved in the movement as a whole and damaged the morality of the dissident forces struggling to achieve democracy."

HANGYORE SINMUN urges the student body at Hanguk University of Foreign Studies to apologize for what they have done to the prime minister, which eventually has placed a stumbling block on the road to democratization."

The paper warns the government authorities against using the incident as an opportunity to intensify the crackdown on dissident groups, saying: "If they do, they should know that it will lead to enormously unfortunate consequences."

Police Go After 'Extreme Left-Wing Elements'

SK0606124091 Seoul YONHAP in English 0722 GMT
6 Jun 91

[By Kim Hyung-keun]

[Text] Seoul, June 6 (OANA-YONHAP)—Claiming an outpouring of anger over an assault on the prime minister as a mandate from the South Korean public, the police

have launched a massive operation directed against radical students and dissidents to eradicate "extreme left-wing elements."

The targets of their action say they will not allow the government to use the incident, in which Prime Minister Chong Won-sik was pelted with eggs and flour, as an excuse to crack down on "democratic and national forces" and they will continue to try and topple the government.

By taking advantage of the sympathy generated for Chong by the half-hour melee and the students' loss of support, the government wants to put an end to the six weeks of social unrest sparked by the police fatal beating of freshman Kang Kyong-tae on April 26.

What seems most to have excited the general public is that Chong had doffed his premier's hat in favor of his professor's hat at the time of the egg-throwing incident, leading to talk of the students' "brutality." This is undoubtedly a godsend for the government, which was tip-toeing through the student-government confrontations because most middle-class Koreans were sitting solidly on the sidelines.

In a pre-dawn raid Thursday, riot police detained 85 students at Hanguk University of Foreign Studies and Kyunghee University in eastern Seoul, confiscating half a truckload of firebombs, placards and steel pipes. They failed to round up any of the 16 student leaders who allegedly assaulted Chong.

A day before, 100,000 wanted leaflets carrying the photographs and descriptions of the students were distributed to police stations across the country.

Since Kang's killing, the police and the government had not felt sure enough of themselves to raid a campus until now.

Kang was the first person killed by the police during a demonstration and his death led to nine protest self-immolations and massive nationwide street demonstrations, posing the biggest political crisis for President No Tae-u since he took office in early 1988.

The drastic change of policy toward students was ordered by No, who was so angered at the news of Chong's humiliation that he gave special instructions for the police to "take thorough steps to eradicate campus violence."

Security-related ministers, such as justice and home affairs, issued bitter criticisms of Korean students Wednesday, defining them as people "abetting class conflict and social unrest to create revolutions."

Another sign of the government's shift to a harder line came when some 475 striking workers were rounded up by the police at Pacific Chemical Co. hours after the campus raids.

The raids came a day after the national police headquarters and Defense Security Command announced that they had arrested 18 members of a pro-Pyongyang underground organization. All the arrested were Seoul National University students or graduates.

The announcement also said there were about 120 members of the leftist group, called the "national liberalization activists."

The Student Council at SNU, one of Korea's most prestigious schools, immediately issued a statement that said, "the announcement is a pure fraud aimed at repressing the student movement."

"The No government should immediately stop its efforts to patch together something out of the mishap and to crack down on democratic and national forces," the nationwide Council of Student Representatives (Chondaehyup) told a news conference Wednesday evening.

Also caught in the ferocious backlash Wednesday were 16 workers at Daewoo Precision Industries Co. in Yangsan, South Kyongsang Province, and the head of the outlawed National Teachers Union's Chongyojo branch in Chuncheon, Kangwon Province. They were arrested in separate police operations.

The main opposition New Democratic Party said Thursday that the government faced renewed political turmoil and public distrust if it kept on beefing up its "heavy-handed rule" by misusing the egg-throwing incident instead of casting light on the root cause of campus violence.

The government, however, seems not to want to slacken its pace one jot in hunting down dissidents and students to "bring peace and stability to society."

Seoul city police director Kim Won-hwan said Thursday that riot police would enter the Paik Foundation Hospital, guarded by students armed with steel pipes, to take away the body of a student who died in a street clash on May 25 for a post mortem.

"We send our men into universities and factories, and there is no reason not to do that here just because it is hospital," Kim told reporters. "D-day will be Friday or Saturday."

With such a confrontational attitude, the government risks losing the support it so "fortuitously" gained from the assault on the prime minister and critics say it should seek a less radical way of solving the current conflict.

Defying the prosecution's request to hand over the body of Kim Kwi-chung, a French senior at Seoul's Sungkyunkwan University, students and dissidents want to push ahead with a funeral for her on Saturday.

Of the nine who set themselves alight to protest Kang's killing, eight have died. And a 22-year-old man is listed in critical condition at Chonnam National University Hospital, where he has undergone brain surgery for injuries allegedly inflicted by police during a demonstration.

Whether or not the police can claim Kim's body from the hospital in central Seoul, it will remain a time bomb for the dissidents and students who want to use her funeral to turn around their fight against the government.

Questions of 'Judgment' Arise in Attack on Chong

SK0606040591 Seoul THE KOREA HERALD
in English 6 Jun 91 p 2,5

[Text] A state of anarchy which was reported on the campus of Hanguk University of Foreign Studies (HUFS) during a mob attack on Prime Minister Chong Won-sik Monday has brought up the question of security for high-ranking officials including the prime minister.

Public doubt is generally centered on one question—why were the police, which have been so swift in quelling student demonstrations elsewhere, so passive in protecting the prime minister?

The subdued police action has prompted some activist groups to allege that the government must have intentionally left the prime minister to be attacked by students in order to find excuses for later repression of the student demonstrators.

More basically, people are questioning Prime Minister Chong's judgment of the situation. By braving a visit to a university campus when student demonstrations are at a peak, he has underestimated the gravity of the current situation.

The government, admitting some problems, is investigating the security conditions at that time and said it would punish anybody found negligent in his duty.

It was at about 1 p.m. Monday when Chongnyangni Police, in charge of the district around the university, was first informed that the prime minister would visit the campus on the northeastern Seoul.

An official at the prime minister's office notified the police of Chong's visit about one hour later, asking for "quiet" security. He told the police that the prime minister did not want a "fuss."

Four security guards and 28 plainclothesmen had been placed around the university when the prime minister arrived on foot at about 6 p.m. They were ordered to stay outside the campus. There were no riot police.

Chong cut short his class at about 7:20 p.m. because of student disturbances outside the classroom. The lecture was supposed to end at 8 p.m.

While Chong was pelted with eggs and flour by students, police were kept outside the campus. They couldn't enter the school because students had already locked the front gate.

Police apparently didn't know exactly what was happening on the campus. Several bodyguards for the prime minister attempted to inform police outside of the situation but failed because their walkietalkies didn't communicate with those of police for different frequencies.

Chong reached the school gate at about 7:50 p.m. following a 30-minute assault.

This series of events reveals a lack of information and misjudgment on both sides of police and the prime minister's office, critics say.

They should have stopped Chong from visiting the university by all means if they had taken into account the criticism that had been given to Chong in line with the mass firing of school teachers in 1989, they say.

Police and Chong's aides should have also had more information on the students' moves inside the school before they left the prime minister to decide to give a lecture there.

The prime minister's plan to visit the university "quietly" was itself a mistake, critics say.

Chong reportedly insisted a low-key publicity, saying that he would be there not as a prime minister but as a teacher. Chong, former professor of Seoul National University, had taught graduate school students at HUFS since March this year as a lecturer. He was appointed premier May 24.

It was impossible for Chong, however, to give a lecture like other professors when he is a prime minister and when he was followed by newsmen.

Chong should, therefore, rather have openly discussed his visit with student leaders before coming to the school, considering the unstable campus situation at present, critics say.

Another important feature revealed was the general tendency to underestimate the importance of security activities for protecting the prime minister among government officials.

Five security guards for the prime minister had been left without a car May 26 when Chong was to arrive at Kimpo International Airport from a tour of African countries, two days after his appointment.

The bodyguards managed to get to the airport in time on a bus, which was supposed to bring newsmen to the airport.

This anecdote well indicates the poor security conditions for the prime minister—No.2 man in the government—which is in sharp contrast with the watertight security for the No. 1 man.

Police Oppose Plan for Demonstrator's Funeral

SK0606034691 Seoul THE KOREA HERALD
in English 6 Jun 91 p 3

[Text] Dissidents and students yesterday announced they would push for the funeral of a college coed, killed during a street demonstration May 25, on Saturday without an autopsy.

The prosecution, however, declared that the funeral service for Kim Kwi-chong, will never be permitted without an autopsy.

Another round of street clashes is thus expected between students and police as dissidents and students schedule the "fifth pan-national rally" across the nation Saturday.

The announcement for pushing for a funeral, made by the "Pan-national Council," composed of 55 social and political organizations, was contrary to the council's earlier decision that it would consult with the prosecution on the issue of a postmortem.

Observers say the about-face is seen as an attempt to reverse the defensive situation caused by the mob attack on Acting Prime Minister Chong Won-sik Monday evening by some radical students.

Han Sang-yol, a member of the dissident council said in the news conference that the decision is based on the judgment that although an inside probe into the case shows that Kim was apparently killed by the police's offensive, violent suppression of the protesters, the prosecution shows no intention of initiating fact-finding efforts or punishing those responsible for the death of Kim, making a fair autopsy impossible.

"Besides, the bereaved family flatly oppose an autopsy and the objection played a role in the change in our stand," he added.

"Whatever the results of an autopsy might be, our position is that Kim was killed by excessive use of police force and all those responsible including direct assailants as well as commanders of riot police squads deployed at the scene should be punished," he said. An autopsy, which is sure to be used for passing the buck to several riot troopers who directly roughed Kim up, is useless, maintained Chang Ki-pyo, executive chairman of the council.

Yi Su-ho, executive chairman of the Pan-national Council, said Kim's funeral and the 5th pan-national rally would be carried out at the same time in a militant way and that the details of the funeral would be announced today.

In response to the announcement by the committee, the prosecution said that it won't allow the funeral by any means at a time when the exact cause of Kim's death is not determined.

The prosecution stressed that it is an illegal act to hold a funeral if the cause of the death is not revealed. If the special committee were to push ahead with the funeral, there would be no choice but to block the attempt by using police force, it added.

Under current laws, the bereaved family is allowed to bury the body only when a relevant prosecutor issues a license for delivering the body.

If the committee forcibly takes away the body and holds the funeral against laws, those related would face stern punishment, the prosecution said.

Dissident Leader Reverend Mun Rearrested

SK0606123991 Seoul YONHAP in English 1123 GMT
6 Jun 91

[Text] Seoul, June 6 (OANA-YONHAP)—The 73-year-old Rev. Mun Ik-hwan, a dissident spiritual leader, was rearrested Thursday after the prosecution canceled his sentence suspension.

The protestant clergyman was taken from his home in northern Seoul around 6 P.M. and taken to Yongdungpo prison immediately.

Mun was arrested in April 1989 for unauthorized visit to North Korea in violation of the National Security Law. The law forbids any contact with North Korea without prior government approval.

He was sentenced to seven years but was released in October last year on suspension after his health deteriorated.

The clergyman has recently reemerged as a dissident leader, heading a loose-knit pan-national organization formed immediately after the April 26 police killing of a college student.

The organization has been charged with leading mass anti-government protests since the incident, the largest to sully President No Tae-u since he took office in February 1988.

The prosecution had warned last month when the anti-government demonstrations were at its peak that it may cancel Mun's sentence suspension.

Candidate Registration for 20 Jun Polls Closes

SK0606125491 Seoul YONHAP in English 1228 GMT
6 Jun 91

[Text] Seoul, June 6 (YONHAP)—Candidate registration for local elections ended Thursday with 3.3-to-1 competition for 866 seats on local councils and unexpectedly high number of independents.

A total of 2,877 candidates registered before the 5 P.M. deadline, according to a final count by the Central Election Management Committee (CEMC). Official campaign period begins June 9 and the nation goes to the polls June 20 to reintroduce local autonomy after a 30-year absence.

Highest competition rate is in Taejon with 4.7-to-1, and the lowest in Northern Kyongsang Province with 2.6-to-1. Fourteen candidates win uncontested.

The ruling Democratic Liberal Party fielded 839 candidates, main opposition New Democratic Party 556, and splinter Democratic Party 469.

Independents totaled 967, 33.6 percent of the runners and larger than nominees from any single political party. Most of the independents are reportedly those dropped from party tickets.

Competition rate hovered well over 3-to-1 in most of the constituencies, including 4.1-to-1 in Pusan, 3.9-to-1 in Seoul, 3.6-to-1 in Kwangju, 3.5-to-1 in Taegu and 3.2-to-1 in Incheon.

Kangwon Province came in high at 3.4-to-1, Southern Chungchong and Kyonggi Province 3.3-to-1 and Northern Chungchong Province 3.2-to-1.

Rates in Kyongsang and Cholla Provinces, rival regions with opposite party support, were exceptionally low,

falling under 3- to- 1. Both ruling and opposition parties made minimal nomination in the rival provinces, according to CEMC.

The June 20 election will choose local councilmen in six major cities and nine provinces. It will be the second set of polls in reinstating local autonomy, the first one held last March in smaller constituencies where competition was more loose at 2.35- to-1.

Government Maps Out Five-Year Economic Plan

*SK0606041291 Seoul THE KOREA TIMES in English
6 Jun 91 p 8*

[Text] The government has tentatively mapped out an industrial policy to be carried out in the seventh five-year economic development plan between next year and 1996.

The industrial policy was sorted out by a 30-member committee in a meeting at the Trade-Industry Ministry yesterday.

The committee members represent business and academic circles as well as research institutes.

The policy will be finalized next month through consultations among the Economic Planning Board, the Trade-Industry Ministry, the Finance Ministry and other economic related government agencies.

The industrial policy in the seventh five-year economic development project will be focused on the development of technology.

First of all, the international competitiveness of established industries will be strengthened in a bid to facilitate the nation's exports.

Secondly, high tech industries will be actively groomed as a future industry.

Thirdly and last, the government will pursue the internationalization of industries in consideration of the nation's growing role in the world economy.

With the implementation of the policy, the government will maximize industrial efficiency based on the principles of a market economy.

As for the development of the manufacturing industry, the government will concentrate efforts on creating an advantageous industrial environment.

On the other hand, the reform of industrial structure will be carried out based on the technical development and the supply of sufficient skilled workers.

The Trade-Industry Ministry predicted that the international competitiveness of the manufacturing industry during the seventh five-year economic development plan would be enhanced due to the continuing increase in domestic consumption and high value-added exports.

It said that the manufacturing industry will annually grow 8.5 percent on average in the period in terms of added value, leading the nation's economic development.

The ministry forecast that the growth of foodstuffs, textiles, garments and footwear would slow down in the seventh five-year economic development project.

But that of such high tech industries as precision chemicals, petrochemicals, general machinery, electrics, electronics and automobiles will rapidly expand.

In particular, their share of the nation's economy will be increased from 32.2 percent in 1988 to 42.5 percent in 1996.

According to the ministry, petrochemicals will annually grow 8.9 percent during the seventh five-year economic development project.

The comparative rates are forecast at 12 percent for precision chemicals, 5.9 percent for steel, 14.2 percent for general machinery, 13.5 percent for electrics and electronics, 9.5 percent for shipbuilding and 8.4 percent for automobiles.

Central Bank Views Import of Foreign Labor

*SK0606022291 Seoul THE KOREA HERALD
in English 6 Jun 91 p 6*

[Text] Korea may have to bring in foreign laborers to cope with serious manpower shortages if the nation's economy continues to expand at an annual rate of more than 7 percent in years to come, the Bank of Korea [BOK] said yesterday.

The mining and manufacturing sector is expected to be most affected by the labor shortage, the central bank added.

According to an analysis of factors for domestic workforce movements released yesterday by the BOK, the workforce concentration in service sectors, coupled with economic growth far outpacing manpower growth in recent years, has widened the imbalance between demand and supply of labor, it showed.

Demand for workers will increase by an annual average of 2.2 percent during the 1992-2000 period, the central bank predicted, assuming that the nation's gross national product continues to grow an inflation-adjusted 7 percent annually on the average during the same period.

During the corresponding period, however, labor in Korea will increase by an annual average of 2.2 percent, balancing demand and supply of manpower, thanks to extended working ages and the rising numbers of working women, it expected.

The nation will likely face serious labor shortage if the economy continues to grow in excess of the 7 percent optimum growth rate.

Service Sector Grows 19.3 Percent in 12 Months

*SK0406033291 Seoul THE KOREA HERALD
in English 4 Jun 91 p 6*

[Text] Korea's service sectors chalked up combined sales between July 1, 1989 and June 30, 1990, of 29.593 trillion

won, up 19.3 percent from a year earlier, the National Statistical Office [NSO] said yesterday.

The NSO surveyed six service sectors—real estate, business services, sanitary and similar services, social and related community services, recreational and cultural services, and personal and household services with financial, insurance and public administration and defense sectors excluded.

The total number of establishments involving the six service sectors was tallied at 488,548 as of July 1, 1990, representing an 8.1 percent rise over a year before.

A total of 2,042,732 persons were employed in those sectors, a 9.0 percent year-on-year increase.

Business services topped the turnover increase list with 22.6 percent, followed by recreational and cultural services (20.3 percent), and real estate services and sanitary and similar services each with 19.6 percent.

The business services involve such fields as legal affairs, accounting, architecture, engineering, information-related services, advertisement, and fashion design.

Among the social and related community services are education services, academic research institutions, medical care, social welfare organizations, and industrial and labor organization.

The sanitary and similar services led others in the establishment hike list with 17.6 percent, followed by the recreational and cultural services (13.6 percent), the business services (12.4 percent), the social services (10.6 percent), the real estate (7.8 percent) and the personal services (4.3 percent).

In terms of growth rate of employees, the sanitary sector topped others with 20.8 percent, followed by the business services (14.8 percent), the recreational sector (14.6 percent), and the real estate (8.5 percent).

The number of establishments of the six categories in Seoul stood at 149,493, representing 30.6 percent of the total.

Those in Seoul, Inchon and Kyonggi-do constituted 46.6 percent.

The turnover of those service businesses in Seoul accounted for 44.4 percent of the total with the figure in the metropolitan area standing at 57.1 percent.

Establishments with two employees or less constituted 69.0 percent of the total in 1990, down from 70.4 percent in 1989, reflecting an upward trend in establishment scale.

36.8 percent of the total establishments in the sanitary and similar services had 20 employees or more.

In terms of the amount of revenues, 33.3 percent of the total firms earned less than 10 million won, compared with 45.4 percent in 1989, according to the report.

Of the total, 47.5 percent had a sales floor of 30 sq. meters in 1990, compared with 50.2 percent a year ago. 3.3 sq. meters equal one pyong.

The sex ratio for those working in the service areas was 6 to 4 in favor of males.

The real estate sector saw the lowest women's participation rate with 19.1 percent, but the social services had the highest with 44.3 percent.

Regular employees accounted for 71.5 percent of the total workers in the six service areas.

The number of employees per establishment averaged 4.2 persons with those in the sanitary services topping others with 22.9 persons.

Earnings per establishment were tallied at 60.6 million won on average.

The number of service establishments per 1,000 persons was 11.4, 2.9 times more than that in 1986.

Service Businesses in Korea

Region	1989		1990		Change
	Number	Share	Number	Share	
Total	452,034	100.0%	488,548	100.0%	8.1%
Cities					
Seoul	136,155	30.1	149,493	30.6	9.8
Pusan	40,957	9.1	45,164	9.2	10.3
Taegu	27,029	6.0	28,874	5.9	6.8
Inchon	18,107	4.0	19,405	4.0	7.2
Kwangju	14,874	3.3	15,837	3.2	6.5
Taejon	13,361	3.0	14,163	2.9	6.0
Provinces					
Kyonggi-do	54,616	12.1	58,921	12.1	7.9
angwon-do	15,768	3.5	16,885	3.5	7.1
Chungchongbuk-do	13,985	3.1	14,755	3.0	5.5
Chungchongnam-do	15,645	3.5	16,797	3.4	7.5

Service Businesses in Korea (Continued)					
Region	1989		1990		Change
	Number	Share	Number	Share	
Chollabuk-do	19,224	4.2	20,538	4.2	6.8
Chollanam-do	19,996	4.4	21,333	4.4	6.7
Kyongsangbuk-do	25,504	5.6	26,916	5.5	5.5
Kyongsangnam-do	31,855	7.0	34,093	7.0	7.0
Cheju-do	4,958	1.1	5,374	1.1	8.4

Brunei, Malaysia & Singapore

Malaysia

Kelantan Posts Bail for Forestry Officials

BK0506141591 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 5 Jun 91

[Text] Thai authorities today released all eight officers and staff of the Kelantan Department of Forestry who were detained last week for allegedly entering Thailand and selling timber illegally.

They were freed from a prison in Narathiwat, Thailand after Kelantan State Government posted the remaining 2.4 million baht of the total bail of 6.56 million baht or about 660,000 ringgit set by the Narathiwat provincial magistrate court yesterday. The court ordered that the eight report to the court every 12 days for investigation on the charge of selling timber, and every six days on the charge of entering Thailand without valid documents. Magistrate (Songthisat Chiwarabun) also ordered that they turn up in court on the 11th and 14th of next month with their bailers.

The bailers are Kelantan State Financial Officer Mr. Abdul Razak Sani, State Economic Planning Unit's Deputy Director Wan Yahya Wan Salleh, and a Thai national, Mr. Din Che Babu. The Narathiwat court requires that one of the bailers be a Thai national.

The lawyers who arranged for their release are Mr. (Bon-minprak Winamat), Mr. (Potit Chasakkakotan), and Mr. Hashim Che Mamat.

Kelantan Deputy Mentri Besar [Chief Minister] Wan Haji Halim Abdul Rahman, Deputy Mentri Besar II Haji Rozali Isohak, State Legal Adviser Mr. Raul Shariff and several other State Government officers were at the Narathiwat prison.

Haji Rozali thanked those from the state, federal, and Thai Governments who had helped gain the release of the eight men. He felt that the matter could be settled amicably with the cooperation of all sides. Scores of people, many of them relatives and close friends of the eight men gathered at the Rantau Panjang border gate near Narathiwat to welcome them home.

Minister Welcomes China's Support for EAEG

BK0606024791 Kuala Lumpur BERNAMA in English 0309 GMT 6 Jun 91

[Text] Kuala Lumpur, June 6 (OANA/BERNAMA)—Malaysia welcomed China's support for the formation of an East Asian Economic Group (EAEG).

Foreign Minister Abdullah Ahmad Badawi said China's move would help promote the EAEG as a truly regional economic co-operation grouping.

"I am happy to hear that China supports the EAEG. It is especially very encouraging for ASEAN which is now studying the proposal," he said.

Chinese President Yang Shangkun was quoted as saying that Beijing's support for the EAEG was in line with China's policy.

"The EAEG initiative taken by Prime Minister Dr. Mahathir Mohamed is of positive significance to the increasing economic co-operation in East Asia," he said.

"In our view, the Asia Pacific Economic Co-operation (APEC) or other forms of regional co-operation without China's participation will be incomplete," he said.

Abdullah said he believed Beijing's support showed that China wanted to be associated with the EAEG.

"We recall similar support given to the EAEG proposal by Chinese Premier Li Peng when he visited Kuala Lumpur recently," he said.

ASEAN has set up a working group study and has received more input from all the six member countries on the setting up of the EAEG.

Mahathir Accuses PAS of 'Abusing' Power

BK0306105891 Kuala Lumpur NEW SUNDAY TIMES in English 2 Jun 91 p 2

[Text] Kuala Lumpur, Sat—Datuk Sri Dr. Mahathir Mohamed said PAS [Pan Malaysian Islamic Party] was already abusing its power as shown by the party's ban against three newspapers from covering its general assembly.

The prime minister said the party was doing it even though it was not in power.

"If it forms the Federal Government, it will probably close down all the newspapers and all of you will be out of jobs," Dr. Mahathir told reporters who burst out laughing.

Dr. Mahathir was asked to comment on the ban imposed on the NEW STRAITS TIMES, BERITA HARIAN and UTUSAN MALAYSIA. Earlier, Dr. Mahathir opened the Merdeka Studio Complex of the National Film Development Corporation.

PAS was abusing its power even at its own general assembly, he said.

Dr. Mahathir added that everytime the Federal Government provided development aid to rural areas including PAS-controlled areas, PAS leaders would tell the people that the party had managed to force the Federal Government to provide the assistance.

"They have been telling the people to continue to vote for PAS since the people can benefit from the development aid and infrastructural development provided by the Barisan Nasional Government.

"They have turned development into a political issue.

"In Kelantan, they have removed the penghulu [village headmen] and replaced them with those who subscribe to PAS ideology, and they expect the Government to trust these new people to implement government programmes including distributing fertilisers."

How could the Government hand over such responsibility to people who were chosen to spread and strengthen PAS ideology? he asked.

Cambodia

Attacks on Government Positions Reported

*BK0606140291 Phnom Penh SPK in English
1111 GMT 6 Jun 91*

[Text] Phnom Penh SPK June 6—More government positions in various provinces came under attack by the Khmer Rouge dominated coalition troops who repeatedly violated the truce since its start on May 1st.

On May 28, about 150 men of the Pol Pot faction gathered at areas 15km southeast of Svay Chek, Banteay Meanchey Province.

The following day some 100 troops of the Pol Pot and the Son Sann factions also massed at the same areas.

The enemy troops on May 28 conducted acts of sabotage in Phnum Chi region, Sandan District, Kompong Thom Province.

On May 29, about 30 enemy troops crossed Road 126 towards a place 17km north of Thalabarivat, Stung Treng Province.

Also on May 29, about 150 infantry troops of the enemy were deployed at areas 27km north of Phnum Srok. At 11 A.M. (local time) they fired 11 shells of 122D30mm rocket launcher on areas 13km southeast of the district town of Phnum Srok, Banteay Meanchey Province. On that day, troops of Pol Pot Division 519 sent three truckloads of ammunition to a place 14 km northwest of Phnum Srok.

On May 30, the enemy troops pounded an area 10 km north of Chong Kal District, same province with 15 shells of 76.2mm rocket launcher. That day, 15 Sihanoukists infiltrated into a place 12km northeast of the district town of Chikreng, Siem Reap Province.

On May 31, 90 men of the opposition factions gathered at a region 16km northwest of Bavel, Battambang Province. About 500 troops of Pol Pot Division 450 were dispatched to areas 14km northwest of Bavel (Battambang) and 28km southwest of Sisophon, Banteay Meanchey Province.

On June 1, the enemy troops fired 10 shells of 82mm and H12 rocket launchers on two areas 12 and 6km west and southwest of Bavel. On June 2, two enemy scouts were sent to reconnoiter an area 6km southwest of Samrong, Siem Reap Province. That day, the coalition troops fired five shells from a 75mm rocket launcher into a zone 12km southeast of Chikreng, same province.

In Kompong Speu Province, seven enemy troops on 3 June conducted acts of sabotage in an area 12km southeast of Phnom Srouch.

In Kompong Thom Province, the opposition troops slammed artillery shells into a place 11km east of Stoung District. That day, troops of Pol Pot Division 616 were deployed at an area 11km east of the same district.

Deputy Foreign Minister Hails Sihanouk Stand

*BK0606101291 Hong Kong AFP in English 0942 GMT
6 Jun 91*

[Excerpts] Bangkok, June 6 (AFP)—The Phnom Penh government Thursday hailed guerrilla leader Prince Norodom Sihanouk's "determination" to end Cambodia's 12-year-old war, and expressed hope that his stand will push the Khmer Rouge into a settlement.

The view was expressed by Sok An, a deputy foreign minister in Phnom Penh's Vietnam-backed government which is fighting a guerrilla coalition dominated by the Khmer Rouge.

He told AGENCE FRANCE-PRESSE It was too early to say whether the Beijing-backed Khmer Rouge should be excluded from moves to reach a peace agreement.

"But if they continue to be rigid, then they must be somehow overridden," he said.

He also said an agreement reached in Jakarta between Phnom Penh Prime Minister Hun Sen and Prince Sihanouk would "push forward" peace talks between the rival cambodian factions despite Khmer Rouge opposition.

Mr. Sok An was on Mr. Hun Sen's team in Jakarta where the Phnom Penh leader struck a deal with Prince Sihanouk during a meeting of the Supreme National Council (SNC), which has representatives from all warring Cambodian factions.

The Khmer Rouge immediately turned down the agreement, which dealt with the thorny question of SNC leadership and a continuation of a cease-fire in effect in Cambodia since May 1.

Prince Sihanouk is nominal leader of the Cambodian resistance coalition, whose two non-communist factions—one led by the former monarch—are overshadowed in military strength by the Beijing-backed Khmer rouge, ousted from power in 1979 by a Vietnamese invasion.

Under the Jakarta agreement Prince Sihanouk would be president of the SNC, and Mr. Hun Sen its only vice president.

The prince currently is not a member of the SNC, which was set up last year within the framework of a United Nations peace plan for Cambodia but has failed to resolve the question of its leadership.

Khmer Rouge opposition to the Jakarta agreement dovetails with the faction's concern that Phnom Penh may eventually succeed in engineering a switch in alliances and win over to its side the former monarch, who remains widely respected internationally and is believed to still command a substantial following in Cambodia.

In his interview, Mr. Sok An declined to reply directly to a question on prospects for a changing of sides by the prince.

But he repeated earlier statements by Mr. Hun Sen that Prince Sihanouk—who divides his time between France, China and North Korea—had firmly decided to return to the Cambodian capital.

"The prince is now showing great determination in his position. He is encouraged in this by many countries," Mr. Sok An said without elaborating.

"There are now two forums in the Cambodian talks: the SNC and the Sihanouk-Hun Sen forum. This is going to have an impact on discussions within the SNC," the Phnom Penh official said. [passage omitted]

Both Prince Sihanouk and Hun Sen arrived here Wednesday from Jakarta for separate rounds of consultations.

The prince began Thursday by meeting U.S. Ambassador Daniel O' Donohue, then had lunch at the Chinese Embassy, sources said. Later he met Thai Prime Minister Anan Panyarachun, who Mr. Hun Sen was to see separately as well.

Another member of the Phnom Penh team in Jakarta, Defense Minister Tie Banh, meanwhile held meetings with Thailand's Supreme Military Commander General Sunthon Khongsomphong and Army Chief General Suchinda Khraprayun.

Mr. Hun Sen was to return home Friday, with Prince Sihanouk travelling to Beijing the following day.

French Spokesman Says UN To Meet 'Soon'

BK0606061091 Hong Kong AFP in English 1743 GMT 5 Jun 91

[Text] Paris, June 5 (AFP)—The five permanent members of the U.N. Security Council will meet soon in Paris to discuss the failure of the Cambodian peace talks, a French Foreign Ministry spokesman said Wednesday.

It follows the inconclusive end of three days of negotiations on Tuesday in Jakarta, Indonesia, where the warring factions could not agree on the leadership of their Supreme National Council (SNC).

The French spokesman, Daniel Bernard, did not give any date for the Paris meeting, but said that even though agreement wasn't reached, the security council-sponsored peace process was continuing. He noted the "intransigence" of the Cambodian factions, especially the Khmer Rouge.

The five permanent Security Council members—the United States, the Soviet Union, France, Britain and China—will meet "in the coming weeks" added Mr. Bernard, "to examine the situation."

The communist Khmer Rouge rejected a plan whereby Cambodian Prime Minister Hun Sen and the main opposition leader Prince Sihanouk would become joint chairmen of the SNC. It also refused to endorse an extension of the ceasefire, declared on May 1.

Indonesian Foreign Minister Ali Alatas said on Tuesday that while the participants did not make as much progress as was hoped for, "substantive" headway was made in identifying unresolved issues and ways of settling them.

Khmer Rouge Accused of Blocking Solution

BK0406154191 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 4 Jun 91

[Station commentary: "Who Is the Stumbling Block in the Process of Seeking Peace for the Cambodian People?"]

[Text] The meeting between the Supreme National Council [SNC] and the cochairmen of the Paris International Conference on Cambodia and the special envoy of the UN secretary general started as planned in Jakarta on 2 June.

The peace- and justice-loving Cambodian people and international circles worldwide were ardently optimistic about the important event. With goodwill to end the protracted conflict at the earliest date, the six SNC members from the State of Cambodia's side put forth a number of constructive proposals at the meeting to create new steps toward reaching a common solution. Comrade Hun Sen, representing the State of Cambodia's party, and Samdech Sihanouk, representing the other side, agreed to a number of issues that the samdech valued as a good approach for the future. The comrade chairman and Samdech Norodom Sihanouk agreed to expand the membership of the SNC to 14—seven from the State of Cambodia's side and the other seven from the other Cambodian side—and to the appointment of the samdech as chairman and Comrade Hun Sen as vice chairman of the SNC. This is another great concession made by the State of Cambodia to the other Cambodian side. However, the Polpotist clique with Khieu Samphan as its representative maintained an arrogant stance rejecting the already accepted idea.

In fact, everyone knows that since the creation of the SNC in Jakarta in September 1990, both the Polpotist clique and its allied groups have earnestly demanded that Samdech Sihanouk be included in and appointed as chairman of the SNC. And people still remember that at the first meeting of the SNC at the former Cambodian Embassy in Bangkok in September 1990, Khieu Samphan himself stubbornly refused to discuss other issues except the election of Samdech Sihanouk as the chairman of the SNC. So, in view of these consecutive demands, the State of Cambodia made a concession by modifying the SNC's composition and expanding it from 12 to 14 members and agreed to the appointment of Samdech Sihanouk as the chairman and the State of Cambodia's side—which controls more than 95 percent of the country and people—as vice chairman. By all appearances, when his demands were heeded, Khieu Samphan, at this last SNC meeting in Jakarta, blew hot and cold and voiced objections by pretentiously asking the participants to pay attention to the discussion of the so-called UN peace plan.

On the morning of 3 June, Samdech Sihanouk issued a statement saying that whatever agreement he had reached with Comrade Hun Sen still needed the endorsement of the Cambodian people apart from the Polpotist group.

As for the UN peace plan, although the Paris International Conference cochairmen and the author of the document

have, on several occasions, underlined that it is only a draft which does not need to be completely accepted or rejected, the Polpotist group still attempted to force other people to accept it without amendment. Everyone knows that in the statement issued at the last meeting between the SNC on one side and the cochairmen and the representative of the UN secretary general on the other in Paris in December 1990, this issue was clearly stipulated. So for this reason, the State of Cambodia's side has called for some improvements in the UN peace plan, in particular it has demanded the inclusion of the provision defining preventive measures against the return of the genocidal Pol Pot regime.

And worst of all, Khieu Samphan, contracting his muscles, announced his rejection of the cease-fire that Comrade Hun Sen and Samdech Sihanouk had agreed to extend indefinitely. This is an example of the most tortuous and poisonous warmongering nature of the Polpotist gang. Khieu Samphan's bandit-like obstinacy at the current Jakarta meeting more clearly shows that that Polpotist clique has no goodwill whatsoever to put an end to the conflict in Cambodia via a political solution. The gang's participation in every forum is not for resolving the problem but for making the problem become more complicated and also for preventing itself from being isolated by the international community. Khieu Samphan's raising this or that issue at the meeting was only a pretext for blocking the process and holding up the settlement with the singular intent of prolonging the war in the country. By all accounts, in the past, at present, and in the future, the Polpotist gang continues to remain a stumbling block to the settlement of the Cambodian problem.

It is time to throw the Polpotist clique onto the ash heap of history.

Khieu Samphan Makes Statement at News Conference

BK0606042491 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 5 Jun 91

["Statement" of Khieu Samphan, chairman of the the Party of Democratic Kampuchea, at a news conference in Jakarta on 4 June—read by announcer]

[Text] I. It is necessary to recall that:

1. The root cause of the Cambodian conflict is Vietnam's aggression and occupation of Cambodia in accordance with Vietnam's Indochinese federation strategy.
2. The Phnom Penh regime is the one set up by Vietnam in February 1979 following Vietnam's aggression and occupation of Phnom Penh City on 7 January 1979.

II. To end the conflict we should have:

1. The 28 August 1990 framework document of the five permanent members of the UN Security Council [UNSC], which the UNSC, in its resolution 668/1990 dated 20 September 1990, and the UN General Assembly, in its resolution dated 16 October 1990, solemnly adopted and endorsed.
2. The 26 November 1990 draft agreement on a political and comprehensive solution, which has been worked out by the cochairmen of the Paris International Conference

on Cambodia [PICC] on the basis of the 28 August 1990 framework document of the five permanent members.

3. There are still many obstacles hindering the peace process because Vietnam and the Vietnamese regime in Phnom Penh oppose these documents. At the meeting in Jakarta in September 1990, the Phnom Penh side and the tripartite Cambodian National Resistance forces accepted the five permanent members' framework document. Immediately after the meeting, Vietnam and the Phnom Penh side rejected this document.

Likewise, at the meeting in Paris in December 1990, the Phnom Penh side and the tripartite Cambodian national resistance forces once again accepted in full the five permanent members' document. Immediately after the meeting, Vietnam and the Phnom Penh side rejected this document.

4. It is therefore most necessary for everyone to once again declare that they accept the documents. The detailed implementation will be decided at the meeting of the PICC coordinating committee with all its member countries taking part based on the spirit and essence of the last Paris statement dated 23 December 1990.

5. At this current meeting, the Phnom Penh side proposed many changes to the the 26 November 1990 draft agreement with the aim of altering the five permanent members' framework document—which the Phnom Penh side has twice accepted—particularly on two major issues, namely the military organization and the mandate of the UN Transitional Authority in Cambodia [UNTAC].

6. This clearly shows that it is not the Cambodian national resistance forces, the victims, that do not want peace. It is Vietnam and the Vietnamese regime in Phnom Penh that do not want peace by opposing the five permanent members' framework document.

I. Vietnam and the Vietnamese regime in Phnom Penh have raised the so-called Khmer Rouge danger. However, they oppose the disarming and dissolution of all four Cambodian parties' forces. The repeated statements to maintain its troops by the Phnom Penh side were made on the orders of Vietnam, which wants to continue hiding its troops in Cambodia to continue fuelling the war. In such a situation, Cambodia would become a Southeast Asian Lebanon that would be easy for Vietnam to annex. In this situation, no one can save Cambodia.

As for us, we are willing to disarm and dissolve all our forces in accordance with the 26 November 1990 draft agreement, which is based on the 28 August 1990 framework document of the five permanent members.

Only disarming and dissolving all troops of the four Cambodian parties can prevent a war from breaking out, a neutral political atmosphere be ensured for free and genuine elections in Cambodia, and can long-lasting peace and stability in Cambodia and Southeast Asia be ensured.

II. Vietnam and the Vietnamese regime in Phnom Penh have raised the so-called Khmer Rouge danger but they oppose the establishment of the UNTAC, which have both

military and civilian authorities to implement all aspects of a comprehensive political solution.

We want the UNTAC and a powerful UN peacekeeping force deployed in Cambodia to control and check all aspects of a comprehensive political solution, including the organization of free and genuine elections within a neutral political atmosphere. Furthermore, we want a prolonged presence of the UN peacekeeping force in Cambodia after the elections. We believe that this will eliminate the concerns about the Khmer Rouge danger and also eliminate our nation's concerns about Vietnam returning to annex Cambodia.

The truth is that, if one day Vietnam withdraws from Cambodia, Cambodia's life is still faced with danger because Vietnam refuses to give up its Indochinese federation strategy.

These two points clearly show that as matter of fact, it is not the Khmer Rouge danger that Vietnam and the Vietnamese regime in Phnom Penh are so afraid of but instead it is the presence of UNTAC and the UN peacekeeping force, which will control and certify that all Vietnamese troops are withdrawn from Cambodia.

This is basically the essence of the problem of the opposition by Vietnam and the Vietnamese regime in Phnom Penh to the UN peace plan. It is also the obstacle hindering the UN peace process.

Khieu Samphan, Son Sen Send Letter on UN Plan
BK0506114391 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian
2315 GMT 4 Jun 91

["Full text" of the 2 June letter from Khieu Samphan and Son Sen to the two cochairmen of the Paris International Conference on Cambodia—read by announcer]

[Text] Jakarta, 2 June 1991

To their excellencies Ali Alatas and Roland Dumas, cochairmen of the Paris International Conference on Cambodia [PICC].

Your Excellencies, the two cochairmen:

We would like express our deepest thanks to you for convening the meeting in Jakarta from 2 to 4 June 1991 within the framework of the PICC. This is the continuation of the December 1990 Paris conference to allow the PICC Coordinating Committee meeting to be convened as soon as possible.

We would like to express our deepest thanks to His Excellency President Suharto and the Indonesian Government and people for their unswerving support and assistance to our Cambodian people's struggle for the survival and independence of Cambodia. Our Cambodia can never forget this noble and valuable support and assistance.

In your capacity as the PICC cochairmen, you have made tireless efforts in seeking a comprehensive political solution to the Cambodian problem to enable Cambodia to regain peace with independence and territorial integrity. In particular, you have spared no efforts to implement the

spirit of the Paris joint statement dated 23 December 1990 and worked for the reconvening of the PICC Coordinating Committee meeting.

We, as well as the two other parties in the Cambodian National Resistance [CNR], have on several occasions proposed that this meeting be held as soon as possible. Therefore, we are very happy that, through your efforts, this Jakarta meeting is finally held.

Coming to this meeting, we are prepared to give you all our physical and mental cooperation so that we can blaze the trail to reconvene the PICC Coordinating Committee meeting as soon as possible.

To contribute to our present effort, we would like to reaffirm our stance as follows:

1. What results have we achieved? Are there any more obstacles?

The Cambodian problem of the past 12 plus years is not a problem between Cambodians. It is a problem caused by the SRV sending troops to invade Cambodia in line with its Indochinese Federation strategy. The present regime in Phnom Penh was installed by the SRV troops in February 1979 after they stormed Phnom Penh on 7 January 1979.

We are gathering here again in Jakarta in order to accelerate the end of this war.

First, we have the framework document dated 28 August 1990 of the permanent five members [Perm-5] of the UN Security Council [UNSC]. The UNSC has also unanimously approved this framework document through Resolution 668 dated 20 September 1990. The 45th UN General Assembly also unanimously endorsed this document through Resolution 45 dated 15 October 1990. Later, there was the 26 November 1990 comprehensive draft agreement worked out by the Perm-5 and the PICC cochairmen on the basis of the 28 August 1990 framework document. The obstacle is that Vietnam and the regime that Vietnam has installed in Phnom Penh are opposed to these two documents.

At the Jakarta meeting in September 1990, the Phnom Penh faction said it accepted the documents. Shortly after returning from the meeting, both Vietnam and the Phnom Penh faction opposed the documents.

At the Paris meeting in December 1990, the Phnom Penh faction said it accepted the documents. But shortly after the meeting, both Vietnam and the Phnom Penh faction again opposed the documents.

Therefore, ladies and gentlemen, you can think for yourselves: Will this go on forever?

A Vietnamese memorandum dated 6 November 1990, a Vietnamese Foreign Ministry's communique dated 28 February 1991, and Hun Sen's statement dated 21 May 1991—just recently—are documents and statements that oppose the Perm-5 framework document.

The Perm-5 of the UNSC, out of their responsibility for world peace, have (?carefully) discussed the Cambodian question and worked out the above-mentioned framework

document, unanimously endorsed by the UN General Assembly. ASEAN countries have expressly welcomed the document on several occasions. The U.S. Government, through the good offices of His Excellency Richard Solomon, assistant secretary of state for East Asian and Pacific Affairs, also emphatically declared before the U.S. Congress on 10 April 1991 that the Perm-5 document is the sole basis and the best document that can bring about a fair and lasting solution as it arranges all necessary military conditions for ending the war and ensuring stability and a neutral political atmosphere conducive to free and fair elections. His Excellency Stephen Solarz, member of the U.S. Congress and chairman of the House Committee for Foreign Affairs in charge of East Asia and the Pacific, also noted that the Perm-5 document is the best and last hope for bringing peace to Cambodia. He also said that Vietnam and Phnom Penh are obstacles to the solution.

Samdech Norodom Sihanouk, president of Cambodia and head of the CNR, underlined the significant points of this document to the Cambodian nation and people as follows:

If the UN peace plan is altered or not implemented in its entirety, certainly there will be no genuine and lasting peace for our Khmer nation and people and Cambodia will perish because sooner or later, the part of Cambodia under the control of the Khmer-Viet Minh elements—Hun Sen, Heng Samrin, and Chea Sim—will become the second Kampuchea Kraom—from Cambodia Analysis dated 23 January 1991. [sentence as heard]

Therefore, we can see that the whole world wants peace. ASEAN and other countries in Asia also want peace. The struggling Cambodian people want peace. The Vietnamese people, too, want peace. Everyday, the Vietnamese leaders try to recruit their people and send them to Cambodia. The people are fleeing and avoiding recruitment. Even after being captured and sent to the battlefield, they continue trying to flee. No Vietnamese want to fight this war of aggression against Cambodia. Only Vietnam and the Vietnamese-installed regime in Phnom Penh do not want peace.

In sending troops to invade Cambodia, Vietnam has violated the UN Charter. Vietnam has rejected UN General Assembly resolutions adopted in the past several years. Vietnam has also rejected the Perm-5 documents. Although the Cambodian and Vietnamese peoples call for peace, Vietnam and the Vietnamese-installed regime in Phnom Penh continue to disagree. Vietnam has continued its war of aggression against Cambodia up till today. Vietnam and the Phnom Penh faction said they would observe the cease-fire, but they have continued to attack the CNR forces. They have taken the opportunity of the cease-fire to prepare and increase both the Vietnamese and Phnom Penh forces in order to intensify their military activities against the CNR forces.

If Vietnam had agreed to settle this problem in accordance with the documents, it would have been exonerated from all this. It will not lose face and no one will blame them. But, Vietnam continues to dissent. It has even tried to

shirk its responsibility by contending that Vietnam no longer has anything to do with the Cambodian problem and that anyone who wants to settle the problem should contact the Cambodians. Vietnam has done this in order to avoid its responsibility for finding a solution to the Cambodian problem and to create obstacles to the settlement. This is why it is necessary to keep emphasizing that the root of the problem is the Vietnamese aggression against Cambodia.

This is why Samdech Norodom Sihanouk, president of Cambodia and head of the CNR, keep emphasizing this. In his statement made in Bangkok on 31 May 1990, the samdech stressed that this so-called Cambodian problem is in fact a problem between the SRV and Cambodia, which is the victim of the SRV.

2. A number of issues successively raised by Vietnam and the Vietnamese-installed Phnom Penh regime:

Vietnam and the Vietnamese-installed regime in Phnom Penh have endlessly raised various obstacles to the documents. We would like to describe a few of these so that Your Excellencies, ladies, and gentlemen can help examine and judge:

1. A slogan that Vietnam and the Phnom Penh faction have often raised as an obstacle to the documents is their so-called fear of the Khmer Rouge.

Is Vietnam's claim that it is afraid of the Khmer Rouge a reality or only a pretext against the documents made in its attempt to continue maintaining the Phnom Penh regime, hiding Vietnamese forces, and occupying Cambodia?

Vietnam claims to be afraid of the Khmer Rouge, but how strong are the Khmer Rouge? If the Khmer Rouge were really strong, Vietnam would not have been able to stay in Cambodia since 1979, that is, for the past 12 plus years.

Vietnam has a population of 65 million people with a 1.2 million-strong army—the third largest in the world—that has been invading and occupying Cambodia for the past 12 plus years. Vietnam is so strong, has been invading and occupying Cambodia for such a long time, and has been sowing so massive a devastation on the Cambodian nation and people, and yet it claims to be afraid of the Khmer Rouge! Is this not a thief crying stop thief tactic? If this is so, who has then violated the international norm and the UN Charter? Who then is genocidal? Is it Democratic Kampuchea or is it Vietnam and the Phnom Penh regime?

There are the facts for the past 12 plus years Vietnam has been systematically massacring Cambodians by using all types of weapons, thus causing hundreds of thousands of Cambodians to flee their villages and land, with many of them becoming refugees drifting inside their own country. Others, meanwhile, are forced to take refuge in the Kingdom of Thailand, Europe, the United States, and so on; and during all this time Vietnam has been systematically sending Vietnamese nationals into Cambodia in order to turn the Cambodian topography, demography, society, and national cultures into Vietnamese, in accordance with their Vietnamization of Cambodia scheme. Are these facts not an act of genocide against Cambodia?

2. Vietnam and the Phnom Penh faction have raised their so-called fear of the Khmer Rouge and opposed the demobilization of the armies of the four Cambodian factions. By contrast, we have agreed to dissolve all of our armies within the framework of the comprehensive solution according to the peace blueprint of the United Nations.

If all the armies of the four Cambodian factions are not dissolved, if only one part is dissolved and another part is maintained, will this not lead to another outbreak of war? Can a settlement reached in this manner end the worries of neighboring and regional countries?

If the Phnom Penh faction has repeatedly demanded that its army be maintained, is it not because Vietnam has egged it into doing so? Is it or is it not to enable Vietnam to hide its forces in this army and so that these hidden Vietnamese forces can rekindle the flames of war? If war breaks out again, Cambodia will become a Lebanon in Southeast Asia and Cambodia will surely become a ready-made meal for Vietnam, and no one will be able to save it.

Only by dissolving the armies of all four Cambodian factions can there be a guarantee that the war would not break out again and can there be lasting peace and stability in both Cambodia and Southeast Asia.

3. Vietnam and the Phnom Penh faction have made an issue out of their fear of the Khmer Rouge because they are opposed to the UN transitional authority—both in its civilian and military forms—and to a UN peacekeeping force that would wield sweeping powers of control.

We want the implementation of the UN documents that would authorize the UN transitional authority and a UN peacekeeping force to have comprehensive control and function that would include organizing and supervising the elections. Moreover, we demand that the UN peacekeeping force remains in Cambodia for an extended period after elections. Others might want the UN peacekeeping force to stay in Cambodia for a long time on the grounds that it can prevent the Khmer Rouge from doing this or that. As far as we are concerned, though, we want the UN peacekeeping force to stay for a long time in Cambodia in order to prevent Vietnam from returning and swallowing Cambodia again. Cambodia which is small and weak and has a little population is most concerned about the danger of being swallowed by Vietnam. At present, Vietnam is still keeping Cambodia in its jaw. In the future, even if Vietnam is forced to spit out Cambodia—our country—the question remains whether Cambodia will or will not survive as the danger of being swallowed by Vietnam remains permanently at our threshold.

4. About the cessation of foreign aid to Cambodia:

We would like to pose this question back to Vietnam and the Phnom Penh faction who have repeatedly raised the issue. Why don't you accept the Perm-5 documents? We ask this question because the Perm-5 documents, especially Article 15 of the framework document of 28 August 1990 and Chapter 5, Article 10 of the draft comprehensive agreement of 26 November 1990, already deal with this

matter and also clearly deal with the control needed to ensure the cessation, that is, control both inside Cambodia and in all neighboring countries. Why then are Vietnam and the Phnom Penh faction opposed to the documents? Since they oppose them, what is their purpose in raising this foreign aid issue? Is it to bring about genuine peace or a lie and deception?

Vietnam and the Phnom Penh's objective in raising this issue is to try to neutralize the CNR forces. This is while Vietnam continues unhindered sending troops, arms, and ammunition to carry on its aggression against Cambodia through some 500 km of Cambodia's maritime border and through some 1,200 km of overland border full of forests and mountains and criss-crossed by rivers, streams, roads, and trails of all sizes.

I list only a few questions above. Your Excellencies certainly have sufficient material to examine and judge who really wants peace and who is against it? It is not those who are fighting for national liberation who refuse want peace. Instead, it is the aggressor Vietnam and the Vietnamese-installed regime in Phnom Penh that do not want peace, that oppose the Perm-5 documents because Vietnam do not want to see the UN authority and UN peacekeeping force control the Vietnamese withdrawal from Cambodia.

Vietnam's aim is to preserve the Phnom Penh regime as a front to hide the Vietnamese forces to carry on the war of aggression and occupation of Cambodia, according to Vietnam's Indochinese Federation strategy. As for the Vietnamese-installed regime in Phnom Penh, it wants Vietnam to continue maintaining its troop presence in Cambodia so that it can keep live. That is the root of the problem.

Phan Trong-tue, chairman of the Foreign Relations Commission of the Vietnam Communist Party Central Committee, wrote in *Vietnam Review* in February 1991: The bonds of militant solidarity between the Vietnam Communist Party, the Lao People's Revolutionary Party, and the Kampuchean People's Revolutionary Party are not only a historic necessity and a vital strategic matter, they also constitute the source of great forces and is a factor determining the victories of the revolution.

This Vietnamese leader went on to write: Based on the fundamental views of our party and state, we cannot agree with opinions that want to downgrade the relations among the three countries to mere inter-state relationship as practiced by other countries. Any harmful words or actions against the traditional relations of the people of the three countries are detrimental to the genuine interests and revolutionary cause of each country and of all three countries as a whole.

3. How should we proceed in the current meeting? Obviously, peace can return to Cambodia so that peace, security, and stability in Southeast Asia can be ensured only when Vietnam and the Phnom Penh faction will stop playing tricks, maneuvering, and endlessly raising obstacles against the documents.

The first document of 28 August 1990 is the framework document that the Perm-5 had appealed to all parties concerned to accept without alterations. The four Cambodian factions have already solemnly accepted it in front of the two cochairmen of the PICC in accordance with the Jakarta joint communique of 10 September 1990. The draft comprehensive agreement of 26 November 1990 was conceived as the detail of the framework document to be implemented. The four Cambodian factions have also accepted it in accordance with the Paris joint statement of December 1990. Therefore, our wish is that the Phnom Penh faction not oppose and reject anything it has already accepted. This means that the Phnom Penh faction is requested to neither oppose nor reject the 28 August 1990 framework document it has already accepted and that has been particularized in the 26 November 1990 draft agreement. We would continue to discuss these documents in detail, but whatever has to be further discussed should be done at the PICC Coordinating Committee meeting in accordance with the Paris joint statement of 23 December 1990.

Before the September 1990 Jakarta meeting and later on before the December 1990 Paris meeting, Cambodians, Vietnamese, and the world community expected that there would be peace and that the PICC Coordinating Committee meeting would be convened. However, shortly after these meetings, they became disappointed because of the rejection by Vietnam and the Phnom Penh faction. Therefore, I hold that this time we must clearly outline the framework of our Jakarta meeting. Our meeting in Jakarta is held so that each of us can clearly reaffirm that he accepts the documents. As for details, we will discuss them within the framework of the PICC Coordinating Committee because it is only at that time that representatives of all countries involved will get together and it is only then that we will be able to settle these details. Only by doing can we conform ourselves to the 23 December 1990 Paris Joint statement.

In the light of the analysis of all the above rationales, Your Excellencies, ladies, and gentlemen can clearly see that our CNR wants nothing more than the survival of the Cambodian nation. It is on the basis of all these rationales that we feel delighted to accept the Perm-5 framework document dated 28 August 1990 and the draft comprehensive agreement dated 26 November 1990. It is through all these rationales that our Cambodian people are convinced that the overwhelming majority of the peoples in the world, like the Cambodian people themselves, fervently wish that UNSC Resolution 668 on Cambodia be implemented in the same manner as the UNSC resolution on Iraq.

We would like to express deepest thanks to all peace- and justice-loving countries the world over, especially the ASEAN countries, for the support accorded to the Cambodian people's just struggle for national independence on the basis of the UNSC Perm-5 framework document of 28 August 1990 and the draft agreement of 26 November 1990.

In conclusion, we would like to express deep thanks to His Excellency Ali Alatas and colleagues for the warm hospitalities accorded to us in beautiful Jakarta.

Your Excellencies, the two cochairmen, please, accept our highest regards

[Signed] Khieu Samphan

[Signed] Son Sen

Indonesia

Suharto Fetes Yang Shangkun; Speeches Cited

BK0506153591 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 5 Jun 91

[Text] President Suharto says relations among countries must be based on the principles of mutual respect of sovereignty and noninterference in internal affairs. Therefore, friendly relations and cooperation must have a healthy foundation, namely, the principle of peaceful coexistence.

President Suharto said this at a state banquet in honor of PRC President Yang Shangkun at the Jakarta State Palace this evening. The president said Indonesia is striving hard to improve the prosperity and welfare of its people. The country's experience in national development shows the great benefits of mutual cooperation with all countries, irrespective of their social and political system. The head of state also said Indonesia and the PRC should be able to learn lessons from their past relations and use them to give substance to the new chapter in their relations.

Touching on the Cambodian problem, President Suharto said Indonesia admired the PRC's stand, which supported efforts to solve the problem comprehensively. As such, all nations in this region will have a greater chance to enjoy peace and achieve better and more prosperous lives.

Meanwhile, in his reply speech, PRC President Yang Shangkun reiterated his conviction that their joint efforts would be successful and that the friendship between the peoples will last long from one generation to another.

The state banquet was also attended by the vice president and Mrs. Sudharmono, the parliament speaker, chairman of the Supreme Advisory Council, chairman of the Supreme Court, and ministers of the Fifth Development Cabinet.

Discuss Cambodian Meeting

BK0606080991 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 6 Jun 91

[Text] PRC President Yang Shangkun held talks with President Suharto at Merdeka Presidential Palace, Jakarta today. He said that the PRC appreciates Indonesia's role in efforts to solve the Cambodian issue although the latest meeting of the Cambodian factions has not achieved the desired result. He also expressed the hope that Indonesia and France, as cochairmen of the Cambodian Supreme

National Council, SNC, [positions as heard] will continue their efforts to solve the Cambodian problem to the best of their ability.

As Minister-State Secretary Murdiono explained to newsmen after the two-hour meeting, President Suharto and Yang Shangkun agreed that the delay in settlement of the Cambodian issue will have a negative effect on the stability of the Southeast Asian region in general and Asia in particular. Yang Shangkun said that the PRC is also willing to be ASEAN's partner in dialogue.

According to Minister Murdiono, President Yang Shangkun thinks that the meeting with President Suharto today and the state banquet hosted by President Suharto in his honor last night enabled him to gain a deeper understanding of Indonesia. This constructive meeting will create closer bilateral friendship. The PRC president feels that future bilateral cooperation can be further promoted because there are various fields that can be expanded. President Yang Shangkun especially mentioned that PRC is ready to promote cooperation with Indonesia in the field of science and technology.

In the meantime, President Suharto called on the PRC to consider allowing Garuda Indonesian Airways to operate an air route to Europe via one of the Chinese provincial capitals in south China. With the opening of this route, the journey between Indonesia and Europe could be shortened by two hours.

NEC Chief, Suharto Discuss Phone Project

*OW0506131791 Tokyo KYODO in English 1114 GMT
5 Jun 91*

[Text] Jakarta, June 5 (KYODO)—The president of NEC Corp. pledged Wednesday that the company will do its best to complete a digital telephone project it won with American Telephone and Telegraph (AT and T) after fierce competition.

"NEC has been contributing to Indonesian telecommunications development for 30 years," Tadahiro Sekimoto told reporters after paying a courtesy call on President Suharto.

Sekimoto quoted Suharto as saying that NEC must work hard on the project, known as STDI II, because AT and T is also involved.

The estimated 300 million dollar project involves setting up 700,000 digital telephone lines. Three other companies, Fujitsu Ltd., a dutch unit of French Alcatel, and an Australian subsidiary of Sweden's Erricson, competed fiercely for the project.

The project was retendered in July last year after THE WASHINGTON POST reported in February that U.S. President George Bush had intervened to help AT and T win the contract.

Bush's reported intervention followed reports that the Japanese Government was using political pressure to win the contract for NEC.

In March, the project was awarded jointly to AT and T and NEC, which were assigned 350,000 lines each.

Indonesia, with 179 million people but only about one million phone lines, has great potential as a telecommunications market.

SRV To Lease One Palapa Satellite Transponder

*BK0506134491 Jakarta ANTARA in English 1019 GMT
5 Jun 91*

[Text] Jakarta, June 5 (OANA-ANTARA)—Vietnam plans to lease Palapa satellite to broadcast its domestic radio and television programmes, it was disclosed here Wednesday.

Dr. Phan Van Nho, director general of the Vietnamese Ministry of Culture, Information, Sports, and Tourism, told newsmen after meeting with Information Minister Harmoko that for the first phase Hanoi intended to lease one transponder of the Palapa satellite.

He said that under a special aid from the Indonesian Government, Vietnam would be given a special rate for the leasing of the Palapa's transponder.

The regular leasing fee for the transponder is 1.1 million U.S. dollars, but for Vietnam the rate is only 850,000 dollars.

Nho further said that his country is willing to learn much of the technical aspects of the use of telecommunication satellite, and the radio and television broadcast from Indonesia.

According to Nho, Hanoi preferred to use the Palapa satellite because it could cope with the Vietnamese topographic conditions.

At present, he went on, Vietnam transmitted its radio and television programmes from Hanoi through several regional relay stations.

Foreign Minister on Island Dispute With Malaysia

*BK0606031791 Hong Kong AFP in English 0813 GMT
5 Jun 91*

[Text] Jakarta, June 5 (AFP)—Indonesia has asked Malaysia to stop developing a tiny island off Borneo, on which both have conflicting territorial claims, into a tourist resort, foreign Minister Ali Alatas said Wednesday.

He told reporters that Indonesia has repeatedly reminded Malaysia of an understanding to leave Sipadan and Ligitan islands unchanged pending the result of on-going negotiations between the two countries to resolve the dispute.

The government was aware that Malaysia had begun developing Sipadan, Mr. Alatas said in commenting on a recent local press report suggesting that the island had been turned by Kuala Lumpur into a booming tourist resort.

"On several occasions we have drawn Malaysia's attention to put a stop to it as it was not in line with the status quo," he said, stressing that the Indonesian move was a "reminder" and not a "protest".

"Indonesia believes this (dispute) can be resolved although it will take time," he added.

The two governments last met to discuss the issue two months ago and the "reminder" was lodged then, officials said.

The two islands are located east of Borneo near the Malaysian state of Sabah and the Indonesian province of east Kalimantan.

Malaysia's claim is based on an old agreement between Britain and the Netherlands, the previous colonial rulers of Malaysia and Indonesia.

Jakarta says geographically the islands would lie within its territory if a straight line was drawn from the land border into the sea.

Sudomo on Dissidents, Political Prisoners

BK0506100691 Jakarta THE INDONESIA TIMES in English 21 May 91 p 1

[Text] Coordinating Minister for Political Affairs and Security Admiral (retd) [retired] Sudomo believed there was no reason to assume that the Dutch Minister for Development Cooperation concurrently Chairman of the IGG [Intergovernmental Group on Indonesia] was interfering in the domestic affairs of Indonesia.

At the same time Sudomo refutes allegation that there were 600 political prisoners in Indonesia. He said these were criminals who had violated various kinds of existing laws and had been convicted through fair trials in the court of justice of the country.

Sudomo made this remark replying to questions from newsmen after the political and security coordinating meeting here Monday. He said, as the Chairman of the IGGI, it was the task of Mr Pronk to know about the loans, their use, thus making an assessment for future loans needed by Indonesia. "He is also a cabinet minister, and thus should be ready to answer questions from his political party on his tour," he said.

Asked why the people were regarding him as "Prince of Justice" and reporting their misgivings on various issues, Admiral Sudomo laughed, and said, the Indonesians are friendly people and they certainly like to "welcome the visitor." Of course, Pronk does not know Pancasila democracy, and he was acting according to the Western liberal democracy. "But, there shouldn't be any assumption that he was trying to interfere in domestic affairs here," Sudomo said.

He laughed again when one journalist asked whether it was the nostalgia of the visitor to the old adage that was once said by Colijn, the then Dutch minister for Overseas Territories, "Indies verloren, rampspoed geboren" (if the Indies are lost, a catastrophe would fall...).

Sudomo said there was no connection at all between the two instances. He said, the IGGI, had been assisting Indonesia positively, in the last 20 years and they would continue to do so. "Pronk, himself, had seen the marvelous achievements of Indonesia," he said.

Asked on the allegation of one so-called human rights activist here who alleged that there were 600 political prisoners in Indonesia, he immediately raised his eyebrows. "Where the hell did the man get this false notion?" he asked. There are criminals who have been convicted by courts of justice through fair trials.

Replying to a question on some retired officers who had joined the Indonesian Democratic Party, Sudomo said if they are members of the PEPABRI (Association of Indonesian Retired Armed Forces personnel), then they are violating the provisions of the house constitution. "But, if they are not members, then, there is nothing wrong with that. If they are members, they should join the GOLKAR, [the ruling party]" he said.

Sudomo also confirmed that he would be receiving some members of the [dissident] Group of 50 led by Ali Sadikin at his office here today. The topic would be his explanation on the black-list of the overseas travel ban on some people, including the group of 50.

Philippines

Manila Considers Proposed Taiwan Sea Lanes

HK0606031391 Manila THE CHRONICLE in English 6 Jun 91 p 7

[By Lito Zulueta]

[Text] Manila is now open to a Taipei proposal to designate "sea lanes" for "innocent passage" by Taiwanese vessels through Philippine waters, officials said yesterday.

However, a fishing agreement with Taiwan was ruled out as Philippine officials insisted that the constitution prohibits any foreign exploitation of the country's maritime resources.

The positions were firmed up yesterday during a meeting of Cluster E, the important cabinet committee on security and political development, with the South China Sea disputes committee, the body formed by President Aquino to look into conflicts between the country and foreign fishing vessels, particularly of Taiwan.

Press Undersecretary Horacio Paredes, a member of the disputes committee, said they have come up with a "formula" for the sea lanes but refused to disclose it.

Justice Secretary Franklin Drilon, Cluster E. chairman, said the sea lanes would provide Taiwanese vessels with "access to international fishing grounds" and not "Philippine fishing grounds."

He added the lanes would be open to all foreign vessels.

With the new position, Manila backtracks on its earlier pronouncement, made during talks with a Taiwanese delegation in the country last month, not to designate sea lanes for passage by the Taiwanese due to the inviolability of Philippine territory.

The reversal came after Manila finance officials claimed Taiwan would contribute to the Philippine Assistance Program [PAP], a multilateral effort to bail out the country's economy.

President Aquino last Sunday said Taiwan could make the contribution through the Asian Development Bank, one of the multilateral institutions participating in the PAP, since Manila does not have diplomatic ties with Taipei but with Beijing.

The Manila-Taipei talks last month in fact few official statements of concern from Beijing. The Philippines adheres to the one-China policy, which recognizes the communist mainland and treats capitalist Taiwan as its mere province.

The talks will continue on July 4 to 7 in Taipei with Philippine officials in a quandary on how to conduct them in the face of a ban on even private visits by Philippine officials to Taiwan.

Drilon said the disputes committee, which is supposed to conduct the talks, will go to Taipei "under the auspices" of the Manila Economic and Cultural Office in Taiwan.

Armed Forces Chief Appointment Confirmed

HK0506140691 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 5 Jun 91

[By Restie De Quiros of DZRH Unit No. 8]

[Text] The Commission on Appointments in its plenary session has confirmed the nominations of Armed Forces chief of staff, General Lisandro Abadia, and other nominees of President Corazon Aquino.

Also confirmed were the nominations of AFP [Armed Forces of the Philippines] vice-chief of staff Lieutenant General Guillermo Flores, Rear Admiral Proceso Fernandez, Major General Arturo Enrile, and Major General Loven Abadia. The promotion of ten other military officers to the rank of colonel were confirmed except for two whose recommendations were withdrawn by Senator Mamintal Tamano, the chairman of the Commission on Appointments Defense Committee, for lack of required documents.

The nominations of Christian Monsod as Commission on Elections [Comelec] chairman and Regalado Maambong as Comelec commissioner were also confirmed.

In the field of foreign service, the confirmed nominations were those of Manuel Yan as Ambassador Extraordinaire and Plenipotentiary to the Court of St. James in London, Federico Tiongson, Solita Aguirre, and Reynaldo Arcilla as ambassadors.

Meanwhile in his privilege speech during the confirmation hearing, Senator Enrile warned the civilian authorities on the total disregard for seniority and traditional standards in the promotion of officers in the Armed Forces of the Philippines. Some legislator members of the Commission on Appointments concurred with Enrile's argument but said that the presidential prerogative should be given merit due to the abnormal situation, in which the promotions,

particularly that of Abadia came about, in the light of his performance in the midst of coup attempts against the Aquino administration. Here is the reaction of General Lisandro Abadia after his appointment was confirmed.

[Begin Abadia recording in English] I'm happy it's all over. But what I can say is, this is democracy. And we have the interplay of the executive and the legislature, and the system works. [end recording]

Thailand

Foreign Ministry Spokesman on Cambodian Stance

BK0606070291 Bangkok Radio Thailand Network in Thai 0530 GMT 6 Jun 91

[Text] Foreign Ministry Spokesman Sakthip Krairoek announced that Prime Minister Anan Panyarachun will meet with Prince Norodom Sihanouk and Hun Sen today on the settlement of the Cambodian problem. Tomorrow evening, the prime minister will host a dinner for the tripartite Cambodian faction leaders—Prince Norodom Sihanouk, Son Sann, and Khieu Samphan.

M.R. Kasemsamoson Kasemsi, minister attached to the Prime Minister's Office, has been assigned to host a dinner for Hun Sen this evening because Hun Sen will leave for Cambodia tomorrow.

The Foreign Ministry spokesman explained to the press about Thailand's stance on the settlement of the Cambodian conflict, saying that since the recent meeting of the four Cambodian factions in Jakarta did not produce as much progress as it should, Thailand will try to make all the Cambodian factions reconcile and reach an agreement with each other. In this connection, the prime minister will first hear the opinions of all Cambodian factions.

Thailand intends to render cooperation to the Paris International Conference on Cambodia [PICC] within the UN framework in order to encourage all the Cambodian factions to reach an agreement with each other. In the process, Thailand will further coordinate with the PIC cochairmen and ASEAN, the spokesman concluded.

Navy Seizes Vietnamese 'Pirates,' Trawler

BK0606012591 Bangkok THE NATION in English 6 Jun 91 p A4

[Text] Thai naval officers rounded up 23 Vietnamese armed with military weapons and seized their trawler in the Gulf of Thailand on Tuesday night, bringing to 42 the number of Vietnamese arrested in an anti-piracy crackdown that started last week, officials reported.

The Thai air force, meanwhile, will soon start sending a squadron of 16 F5-E jetfighters to patrol the gulf to guard Thai fishermen against pirates.

The latest round-up took place as Supreme Commander Gen Sunthon Khongsomphong was preparing for a brief visit to Hanoi tomorrow to discuss the piracy problem.

An official at the Songkhla naval station said the 23 Vietnamese were arrested at around 11:50 pm about 95

nautical miles off the Pattani coast in an operation involving a naval patrol warship and smaller vessels.

"The patrol team found an armed Vietnamese trawler with 23 Vietnamese," said the official, adding that the suspects did not try to resist arrest.

The Thai sailors netted two AK-47 assault rifles and a grenade launcher and a large amount of ammunition, said the official, who requested anonymity.

The 23 Vietnamese were being brought to the Songkhla station, where 19 other suspects arrested earlier were being detained.

The official said the investigation of the 19 suspected Vietnamese was continuing.

"We are still questioning them but we haven't come to any conclusions yet," the official said.

Ten of the alleged pirates were arrested on Friday, and the rest on Monday. Authorities said some of the 19 suspects might be soldiers.

Hanoi has insisted that there were no Vietnamese soldiers preying on Thai trawlers in the Gulf of Thailand.

"The confirmation (we received) last Sunday from (the Vietnamese military command in) Hanoi was that there were no Vietnamese Navy vessels whatsoever operating in the area," said Nguyen Quang Dy, an official of the Vietnamese Embassy in Bangkok.

Thai armed forces have stepped up patrols in the gulf following complaints by fishermen of harassment by Vietnamese pirates as well as Malaysian authorities guarding their country's territorial waters.

ACM Anan Kalintha, deputy interior minister and deputy air force commander in chief, said yesterday a squadron of 16 F5-E fighters would soon be patrolling the gulf in cooperation with the Thai Navy as part of the anti-piracy campaign.

The tough anti-piracy stand of the Thai military coincided with a new wave of crackdowns by the neighbouring countries, particularly Malaysia, against violations of their territorial waters by Thai fishermen.

Gen Sunthon, chairman of the National Peacekeeping Council, is scheduled to meet with top Vietnamese military leaders and the problem of piracy, which he called an urgent national matter, will top the agenda.

It will be Sunthon's first visit to Vietnam since he served in the Vietnam War.

Deputy Interior Minister and Navy Chief of Staff Adm Wichet Karunyawanit, meanwhile, said navy soldiers would accompany Thai fishermen in their trawlers when they have to fish in high-risk areas.

"The harassment by pirates is happening everyday," said Wichet.

Malaysian Forestry Officials Released on Bail

BK0606010191 Bangkok THE NATION in English
6 Jun 91 p A2

[Text] Eight Malaysian forestry officials arrested in Thailand last week on charges of trespassing and illegal logging were released on bail yesterday.

Narathiwat Chief Justice Aram Yaemsa-at said he ordered the suspects released after Kelantan state officials placed an equivalent of Bt [baht] 6.5 million with the court to bail them out yesterday afternoon.

Three other suspects, including Kelantan's chief forestry official, who also had been arrested last Wednesday, were released last Friday after their relatives posted bail payments of Bt500,000.

The bail imposed yesterday on each of the eight suspects was Bt820,000—Bt800,000 for logging in a national forest reserve and Bt20,000 for illegal entry into Thailand, Aram said.

The chief justice said he set high bail because police believe the suspects might try to escape. Police were granted permission by the Narathiwat provincial court to hold the suspects in custody for 12 more days for further questioning. That means police can summon the suspects for interrogation any time during that period.

Narathiwat Governor Pan Chanpan, who is supervising the investigation into the politically sensitive case, said yesterday that investigators had already concluded their investigation. Pan said an ad hoc committee would be assigned to scrutinize the police findings before police make recommendations to public prosecutors on whether to file formal charges.

"I believe public prosecutors will be able to file charges against the Malaysian forestry officials by next week," the governor said.

Under the forestry protection law, those convicted of illegal logging are liable to a maximum jail term of 20 years and a fine of up to Bt200,000.

Fourth Army Region Commander Kitti Rattanachaya said on Monday that the 11 Malaysian forestry officials would definitely be prosecuted for trespassing on Thai territory although investigators had yet to decide on the charge of illegal logging.

Thai Border Patrol Police and army troops said they arrested the Kelantan officials, including state forestry director Johari Baharuddin, about 100 metres inside Thai territory in Narathiwat's Sukhirin District. Also found in the area, which is a national forest reserve, were hundreds of logs believed to have been illegally felled.

But the Malaysian Government claims the officials were on a routine patrol within Malaysian border to check illegal logging in the Jeli forest, where the incident occurred.

Sunthon To Remain NPKC Head After Retirement

*BK0606010591 Bangkok BANGKOK POST in English
6 Jun 91 p 3*

[Text] General Sunthon Khongsomphong will step down as supreme commander later this year but stay to chair the National Peace-keeping Council [NPKC] until an elected government is formed.

NPKC spokesman Chamlaeng Uchukomon said yesterday Gen Sunthon will not be given an extension of his term when he retires on September 30 but will retain his NPKC post. Gen Sunthon must leave by law upon his scheduled retirement.

Gen Sunthon has declared he won't seek an extension either.

"Let's stop talking about term extensions. The law does not allow it unless he serves the Royal Household," Gen Chamlaeng said.

He downplayed a reporter's question on whether or not coordination among state agencies will die down if Gen Sunthon relinquishes dual posts. Things that have not yet happened should not be talked about now, he said.

Chat Thai Party To Retain Chatchai as Leader

*BK0606012191 Bangkok BANGKOK POST in English
6 Jun 91 p 3*

[Text] The Chat Thai Party yesterday resolved to retain its leadership, with Gen Chatchai Chunhawan still officially party leader until the next general election.

Chat Thai spokesman Prathuang Wichanpricha said after a party meeting in Bangkok that it was decided not to elect a new party administrative committee and to keep the current one through to the election.

Under party regulations, a new committee is to be elected whenever all MPs [members of parliament] lose their status, such as during a dissolution of Parliament or the end of a parliamentary term.

Keeping with the current committee means Gen Chatchai, in exile in London, would still be party leader since he has not yet officially tendered his resignation.

About 60 former Chat Thai MPs attended the meeting yesterday which was chaired by party adviser Pol [Police] Gen Praman Adireksan. He said only two former MPs, Soemsak Karun (Rayong) and Chaturon Chaisaeng (Chachoengsao) have tendered their resignation from the party.

Mr Prathuang said former Chat Thai MPs are being courted by other parties but insisted most of them would stay with the party.

Three politicians have also applied to run under the Chat Thai banner at the next poll. They are Dr Decha Sukharom (Kanchanaburi), Nat Sifuangfung (Samut Prakan) and Det Bunlong (Nakhon Nayok).

However, deputy party leader Pramuan Saphawasu and Gen Han Linanon and most of his MPs did not turn up at

the meeting. They are understood to have defected to Gen Chawalit Yongchaiyut's New Aspiration Party.

Mr Prathuang denied reports that Sano Thianthong would take over the post of party secretary-general from Banhan Sinlapa-acha. He said that Mr Sano also told the meeting he would not contest the post as long as Mr Banhan is the incumbent.

Vietnam

Resumption of Sihanouk-Hun Sen Talks Favored

*BK0606092491 Hong Kong AFP in English 0916 GMT
6 Jun 91*

[Text] Hanoi, June 6 (AFP)—Hanoi favours a resumption of discussions between Hun Sen, premier of the Vietnamese-backed Phnom Penh government, and resistance leader Prince Norodom Sihanouk, official press reports said Thursday.

Both men were in Bangkok on Thursday for separate consultations with various officials, but no meeting between them has been announced.

On Tuesday, at the conclusion of three days of peace talks in Jakarta, they reached agreement on the leadership of the Supreme National Council (SNC) and an extension of the month-old ceasefire in Cambodia.

Although many observers considered the talks a failure, the Vietnamese press saw "progress" and "an encouraging step forward" in the Sihanouk-Hun Sen agreement.

"If the Hun Sen-Sihanouk dialogue continues to develop, favourable conditions will be created for a peaceful resolution of the 12-year-old Cambodian conflict," commented the official NHAN DAN newspaper.

The Phnom Penh government and representatives of the three resistance factions battling for control of Cambodia had met in Jakarta to discuss a possible peace settlement under the auspices of the United Nations.

At the end of the meeting, Prince Sihanouk and Mr. Hun Sen proposed the ceasefire extension and agreed that the SNC should be enlarged from 12 to 14 members, with the ancient monarch as its chairman and the Phnom Penh premier as its sole vice chairman.

Under the proposed U.N. peace plan, the SNC would represent Cambodian sovereignty during an interim period leading to free elections.

Although the Khmer Rouge rejected the new proposals, Hanoi's official reaction Tuesday was that the agreement marked "an important step in the development of a process leading toward a peaceful, complete political solution in Cambodia."

NHAN DAN said the SNC meeting was "a new, commendable effort" by France and Indonesia, the co-chairs of the Paris International Conference on Cambodia, to broker a peace settlement.

The Phnom Penh government's three amendments to the original peace plan brought forward in August by the

permanent members of the United Nations Security Council, said NHAN DAN, were "reasonable and rational."

The most contentious amendment alleges "genocide" by the Khmer Rouge during its rule over Cambodia in the late 1970s and calls for measures to prevent the faction from returning to power.

The official newspaper of Vietnam's army, QUAN DOI NHAN DAN, said the original U.N. plan, "not being impartial or equitable," was "advantageous to the Khmer opposition, in particular the Khmer Rouge."

The Khmer Rouge, more powerful than other non-communist resistance factions led by Prince Sihanouk and former premier Son Sann, is held responsible for slaughtering thousands of Cambodians before its overthrow by Vietnam.

NHAN DAN criticised the "negative attitude of the Khmer Rouge," which, the newspaper said, "rejected the Hun Sen-Sihanouk agreement to prevent the success" of the SNC's Jakarta meeting.

"A lesson from past experience shows that it is essential not to leave those guilty of genocide with the right of veto," the newspaper said.

Mr. Hun Sen had called Wednesday in Bangkok for withdrawal of the Khmer Rouge veto, saying the SNC could operate without the group.

Khmer Rouge Seen Hampering Peace in Cambodia

*BK0506131291 Hanoi Voice of Vietnam in English
1100 GMT 5 Jun 91*

[Station commentary]

[Text] The Supreme National Council [SNC] meeting started on 2 June in Jakarta with the participation of representatives of all Cambodian sides. Right on the first day of the meeting, Chairman Hun Sen and Prince Sihanouk met and agreed on a number of important questions, namely the prince becomes the president and Mr. Hun Sen vice president of the SNC, which comprises seven members of the State of Cambodia and seven from the opposition Khmer factions. Both men also reached a consensus on prolonging the ceasefire in Cambodia.

In the statement on Tuesday [4 June], a spokesman for the Vietnamese Foreign Ministry declared that this event is an important development in the process of seeking an overall solution to the Cambodian issue. Thanks to this agreement, the outcome of the SNC meeting was positive. In his address at the meeting, the Indonesian foreign minister, Mr. Ali Alatas, who is also a cochairman of the Paris International Conference on Cambodia [PICC], was of the view that three-fourths of the long and winding road toward a comprehensive political solution to the Cambodian problem have been covered.

For his part, Mr Alain Vivian, state minister of the French Foreign Ministry said: The SNC meeting took place in an atmosphere that allowed decisive progress to be made. Meanwhile, Mr. Hun Sen said that the agreements reached

at the meeting enable people to reach the threshold of an overall political solution to the Cambodian issue. However, to finish the process of settlement of the Cambodian problem requires effort, support, as well as unanimity from all the Cambodian factions toward the agreements reached by Chairman Hun Sen and Prince Sihanouk. Nevertheless, so far the attitude and acts of the Khmer Rouge are disappointing. Speaking in Jakarta, where the SNC meeting is to (?conclude) the French representative, Mr Alain Vivian, denounced the Khmer Rouge for hampering the effort for an end to the civil war in Cambodia. He said: The Khmer Rouge's lack of (?flexibility) has posed an obstacle to the negotiations. Mr. Sihanouk also denounced the Khmer Rouge for vetoing all agreements reached between him and Chairman Hun Sen.

Evidently, the Khmer Rouge always remain an obstacle to the peaceful settlement of the Cambodian issue. This brings out a fact: The obstacle should be removed so that the Cambodian problem can be solved. What is more, the Khmer Rouge has not been so far recognized by the world public and the Cambodian people. Many French intellectuals have just sent an open letter to President Francois Mitterrand requesting the French Government, as a cochairman of the PICC, to hold firm and prevent the Khmer Rouge from returning to power in Cambodia. The letter wrote that the political and military organizations of the Khmer Rouge must be held responsible for the massacres of Cambodians and must be excluded from negotiations on this question.

This proposal holds water and proves all the more correct in the present context while the Khmer Rouge is going all out to hamper all negotiations of the SNC in Jakarta.

Results of Jakarta Meeting on Cambodia Viewed

*BK0606121391 Hanoi Voice of Vietnam in English
1000 GMT 6 Jun 91*

[Text] The second meeting of the Supreme National Council [SNC] of Cambodia has concluded after sitting for three days in Jakarta, capital of Indonesia. Our radio contributes this comment on the result of the SNC meeting:

The second meeting of the SNC has concluded with different assessments being made to its result. The general consensus, however, is that the meeting is progress in comparison with the previous one.

Indonesian Foreign Minister Ali Alatas, concurrently cochairman to the Paris International Conference on Cambodia [PICC], asserted that the second SNC session narrows the differences and facilitated the convening of the PICC. Mr. Ali Alatas told newsmen following the meeting that it was clear to all about the remaining problems and the orientation toward a comprehensive solution to Cambodia. For his part, Mr. Alan Vivian, secretary of state of the French Ministry for Foreign Affairs, noted that the meeting achieved favorable conditions, avoided many depolarizing disputes, and created a better background towards a stable peace in Cambodia.

Another difference from the previous meeting is that progress has been made outside the meeting hall. Although some agreements had been reached outside the framework of the latest SNC meeting, they are important and significant to the peace process in Cambodia. They include an agreement between Prime Minister Hun Sen and Prince Sihanouk to expand the membership of SNC to 14 instead of 12, with Prince Sihanouk and Prime Minister Hun Sen as president and vice president of the council.

The two Cambodian leaders also agreed to continue the cease-fire in Cambodia. Two other Khmer opposition groups allying with the Khmer Rouge have accepted this agreement which has won international acclaim. Among active role to the Hun Sen-Sihanouk forum, it is expected to better facilitate the progress of resolving the Cambodian issue. [sentence as heard] It should be pointed out that the second meeting of the SNC has not made as much progress as expected. In the words of Indonesian Foreign Minister Ali Alatas, people's hopes are many but the meeting time was limited. One of the obstacles to the success of the SNC was the negative attitude of the Khmer Rouge which vetoed the Hun Sen-Sihanouk agreement.

The Khmer Rouge, the strongest military group in the three-faction coalition against the Phnom Penh Government, also threatened to stop observing the truce if the SNC meeting is unsuccessful. This negative attitude has only made the Khmer Rouge [words indistinct] further isolated in the international arena. The conclusion to be drawn from the process of negotiations—that is, one should not let the Khmer Rouge, the criminals of genocide, be given the right to veto in any circumstances.

NHAN DAN Cites 'Progress'

*BK0606072791 Hanoi VNA in English 0623 GMT
6 Jun 91*

[Text] Hanoi VNA June 6—"Progress has been made in the search for an overall political solution to the Cambodia issue," says the daily NHAN DAN today.

In a commentary on the results of the second meeting of the Supreme National Council of Cambodia (SNC) held in Jakarta on June 2-4, NHAN DAN says:

"The agreements reached between Chairman Hun Sen and Prince Norodom Sihanouk are an important step in the search for an overall political solution on Cambodia. These agreements will facilitate the work of the SNC, meeting the Cambodian people's need to have an organization representing their interests. On the other hand, the prolongation of the current cease-fire will create a favourable climate for accelerating the search for an overall political solution."

The paper goes on: "In order to help prolong the cease-fire and promote negotiations, it is imperative for all countries concerned to observe the moratorium on arms supply to all the warring Khmer factions initiated by the Soviet Union and the United States in September 1989 and as proposed by the Vietnamese Foreign Ministry in its Feb 28, 1991 statement."

"At this Jakarta meeting, with its desire to put an early end to the civil war and arrive, as soon as possible, at a political solution, Chairman Hun Sen, on behalf of other SNC members from the State of Cambodia, had done his best with a high sense of responsibility and a good measure of goodwill. He suggested three amendments at the November 26, 1990 Permanent Five framework agreement, namely prevention of the genocidal regime's return to power, respect for Cambodia's sovereignty and the military arrangements. These amendments are very reasonable and compatible with the present realities in Cambodia and will help achieve a fair and equitable settlement of the Cambodia question," the paper notes.

"The results of the recent SNC meeting, though still falling behind expectations, have once again demonstrated the great efforts exerted by the two cochairmen and the member countries of the Paris International Conference on Cambodia (PICC) as well as the UN secretary-general to surmount difficulties to restore peace in Cambodia" NHAN DAN concludes.

Debate on Repatriation of Workers From FRG

*BK0606053391 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 5 Jun 91*

[Text] From 3 to 5 June, the department for international labor cooperation of the Ministry of Labor, War Invalids, and Social Welfare and the Hanoi-based office of the Friedrich Ebert Foundation held a debate on the issue concerning the repatriation of Vietnamese workers from Germany before the expiration of their contracts and on certain suggestions relating to this issue.

Those participating in the debate unanimously agreed with the suggestion that the governments of Vietnam and the Federal Republic of Germany should create jobs for Vietnamese workers to be repatriated from Germany before the expiration of their contracts to enable them to quickly stabilize their lives and reintegrate themselves with the social community in their homeland. They also suggested that the FRG should help Vietnamese establishments that can employ these workers by financing the purchase of their equipment and machinery and cooperating with them in the marketing of their products.

Spokeswoman on Nakayama Visit, Japanese Ties

*BK0606110491 Hanoi Voice of Vietnam in English
1000 GMT 6 Jun 91*

[Text] The spokeswoman for the Vietnamese Foreign Ministry Ho The Lan said the Japanese Foreign Minister Nakayama Taro will start an official visit to Vietnam on 10 June.

Speaking at the regular press conference in Hanoi on Thursday, Mrs. Lan said this will be the first visit by a Japanese foreign minister to Vietnam and it has important significance to the relations between the two countries.

She said that since the official visit to Japan of the Vietnamese Foreign Minister Nguyen Co Thach in October 1990, the relations between the two countries have developed in many fields such as cultural, scientific,

and economic cooperations. Japan has made positive contribution to the settlement of the Cambodian issue. Japan is a big important country in Asia with great potential for contributing to peace and development in the region. We hope that this visit of the Japanese prime minister will help promote relations between the two countries.

Mrs. Ho The Lan also said the peace agreement in Angola signed on 31 May was an important event in the political life of Angolan people. It showed the goodwill for peace of the Angolan Government and it is in conformity with the interests and aspirations of Angolan people.

On the past five proposals of the UN secretary general on the Afghanistan issue, Mrs. Lan said Vietnam highly appreciates the positive contribution by Mr. Javier Perez de Cuellar in finding out a peaceful solution to the Afghan issue. Vietnam supports the stance of goodwill of Afghanistan in solving peacefully the Afghan issue.

Le Quang Dao Receives Departing Swedish Envoy

*BK0506053491 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 4 Jun 91*

[Text] On 4 June, SRV National Assembly Chairman Le Quang Dao received Mrs. Kerstin Birgitta Johansson, ambassador extraordinary and plenipotentiary of the Kingdom of Sweden to Vietnam, who called on him to bid farewell at the end of her mission.

Chairman Le Quang Dao had a cordial talk with the Swedish ambassador.

LPDR Economic Delegation Arrives in Hanoi

*BK0606050391 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 5 Jun 91*

[Text] An economic delegation of the Government of the Lao People's Democratic Republic [LPDR] arrived in Hanoi on 4 June for a working visit to Vietnam at the invitation of our government. The delegation is led by Comrade Khamphoui Keobualapha, member of the Lao People's Revolutionary Party Central Committee Political Bureau and minister of trade and tourism of the LPDR.

On the morning of 5 June, our government economic delegation led by Comrade Phan Van Khai—member of the party Central Committee, chairman of the State Planning Commission, and chairman of a subcommittee in the Vietnamese-Lao Intergovernmental Committee—held talks with the Lao Government economic delegation led by Comrade Khamphoui Keobualapha.

At the talks, the comrade heads of the two delegations informed one another of the fundamental features of the socioeconomic situation in each country. The two sides also exchanged views on essential matters in the relations of cooperation and friendship between Vietnam and Laos.

Do Muoi Receives Delegation

*BK0606071591 Hanoi Voice of Vietnam Network
in Vietnamese 2300 GMT 6 Jun 91*

[Text] On the afternoon of 5 June at the presidential palace, Chairman of the Council of Ministers Do Muoi received the economic delegation of the Government of the Lao People's Democratic Republic led by Comrade Khamphoui Keobualapha, member of the Lao People's Revolutionary Party Central Committee Political Bureau and minister of trade and tourism of Laos, which is currently on a working visit to our country.

Chairman Do Muoi hailed the working visit to Vietnam by the Lao Government economic delegation, considering this as a good opportunity to continue strengthening the relations of friendship and cooperation between the parties, states, and peoples of the two countries of Vietnam and Laos.

On behalf of his delegation, Comrade Khamphoui Keobualapha informed Chairman Do Muoi of a number of matters discussed during talks between the two economic delegations of the Lao and Vietnamese Governments. He also sincerely thanked the chairman for the cordial, friendly, and fraternal reception accorded his delegation.

Vo Nguyen Giap Attends Environment Day Meeting

*BK0606045791 Hanoi Voice of Vietnam Network
in Vietnamese 1100 GMT 5 Jun 91*

[Text] On the occasion marking the world environment day, 5 June, a meeting was jointly held at the Hanoi Workers' Vietnam-USSR Friendship Cultural Palace this afternoon by the Ho Chi Minh Communist Youth Union Central Committee and the State Science Commission to report on the results of the Vietnamese youth movement for environmental protection. Attending the meeting were General Vo Nguyen Giap, vice chairman of the Council of Ministers; Pham The Duet, secretary of the party Central Committee; and Ha Quang Du, first secretary of the Youth Union Central Committee.

Since the Youth Union Central Committee and the State Science Commission issued a joint resolution in July 1990 on encouraging youths to participate in the protection of the environment under numerous forms of activity, young people throughout the country have recorded praiseworthy initial achievements and the perception of youth union and teenagers unit cadres concerning environmental protection has been heightened further.

Addressing the meeting, Vice Chairman Vo Nguyen Giap pointed out the importance of environmental protection to social life and encouraged youths and teenagers to participate actively in this work—a work of great and long-term significance to human life.

At the meeting, the Youth Union Central Committee also made public a youth environmental protection program for the 1991-95 five-year period.

Ministers' Directive on Fire Fighting, Prevention

*BK0406073891 Hanoi Voice of Vietnam Network
in Vietnamese 1100 GMT 3 Jun 91*

[“Directive on the intensification of the work of fire fighting and prevention” issued by the chairman of the Council of Ministers on May 31]

[Text] All echelons and levels must intensify their management work on fire fighting and prevention, check and replenish regulation documents on this subject, and implement all the safety procedures on fire prevention and fighting. They must also strictly deal with violations of safety regulations or lack of responsibility which cause fire resulting in the loss of human lives and property.

In city planning, the safety of fire fighting and prevention must be strictly observed. Industrial areas and big production units must construct access routes and communication systems for fire fighting purposes. In these areas, water line and fire poles must be planned to ensure that the fire fighting will be done easily, quickly, and safely. And

the planning must consider the prevention of environmental pollution on neighboring residential areas in case of fire.

The State Planning Commission, Ministry of Finance, Ministry of Commerce, and the people's committees of provinces, cities, and special zones are to set aside funds to buy necessary fire fighting equipment for the fire brigade to put out any fire in the area.

Sectors and business organizations which have flammable and explosive materials are to equip fire fighting apparatuses to actively attend fires which break out on their premises.

To motivate the fire fighting and prevention movement in the public, the chairman of the Council of Ministers also decided to choose October 1991 as the month for safety in fire prevention and fighting called “Safe Month for Fire Prevention and Fighting” and to choose 4 October as the traditional day for fire prevention and fighting.

Australia**Phonetap Allegations Question Hawke's Integrity***BK0606101191 Melbourne Radio Australia in English
0803 GMT 6 Jun 91*

[From the "International Report" program]

[Text] Australia's Prime Minister Bob Hawke continues to face pressure from his political enemies despite defeating his former deputy, Paul Keating, in the Labor Party leadership ballot this week. Now allegations have emerged that in 1983 Mr. Hawke improperly used the record of a tapped telephone conversation between a journalist and the then finance minister, Peter Walsh. And this adds to the damage caused by the revelation last week that Mr. Hawke made conflicting promises to Paul Keating and the public over whether he would step down after the last election. From Canberra, national affairs correspondent Tony Hastings:

[Begin recording] [Hastings] Bob Hawke has always believed his integrity is one of his greatest political assets. One of his favorite phrases is that he would never insult the intelligence of the Australian people by deliberately misleading them. Indeed his popularity in the electorate, damaged as it is by the economic recession, was one of the key reasons he defeated Paul Keating. But his integrity has taken a battering in recent days, mainly from members of his own party.

The latest allegation relates to the Australian Security Intelligence Organization, ASIO, tapping a 1983 telephone conversation between a journalist and the then finance minister, Peter Walsh. It is claimed that Senator Walsh spoke of Mr. Hawke in very critical terms. In the media at that time it was widely reported the conversation had been tapped and the information passed on to the prime minister, who then used it to discipline Senator Walsh. If that did happen, both ASIO and the prime minister broke the law, which lays down that phone-tapped information should not be passed on for use if it does not relate to national security.

However, at that time Mr. Hawke would neither confirm nor deny the phone tap, and he told parliament today he has never used phone tapped materials improperly.

[Hawke] It is the standard practice of governments to neither confirm nor deny speculations about ASIO operations and I adhere to that position as I have. I will not. You can say rubbish, but you are wrong, as you always are. [unidentified voices]

[House Speaker] Order. The member of Kooyong has asked a question and you will listen to the answer.

[Hawke] Mr. Speaker, I will deny emphatically, however, that the government has ever used phone-tapped material improperly and in particular, politically, nor has it ever sought material for those purposes. Mr. Speaker, this story to which the honorable gentleman refers is close to ancient history.

[Hastings] But Senator Walsh has reportedly told several Labor colleagues in recent days that Mr. Hawke did use the material improperly. And it has been reported that the senator intended to raise the issue publicly last weekend, when the leadership battle was at its height, but was dissuaded from doing so. It should be noted that Senator Walsh is a longstanding enemy of the prime minister, but the mere allegation that Mr. Hawke used ASIO against one of his own ministers can only be damaging.

And this allegation comes on top of last week's revelation that in 1988 Bob Hawke made a secret agreement to hand on the leadership to Paul Keating. Under that agreement, Mr. Hawke promised, in front of witnesses, that he would stand down after the March 1990 election to give Mr. Keating time to settle into the prime ministership before the next election due in early 1993. But he broke that deal during the 1990 election campaign when he promised the voters he would serve a full term. Several senior Labor members have described Mr. Hawke's role in the deal as a mistake and have acknowledged he concealed the deal from the public and double-crossed Mr. Keating.

While Labor tears itself apart over these issues, the opposition parties are looking on with glee. Indeed, as a result of the last few days' events and revelations, the prime minister's integrity and the Labor Party's disunity have now become major issues. [end recording]

New Treasurer on Resolve To Fight Inflation*BK0606005091 Hong Kong AFP in English 2021 GMT
5 Jun 91*

[Text] Sydney, June 5 (AFP)—A tumble on Australia's sharemarket Wednesday was partly quelled after new Treasurer John Kerin announced his resolve to fight inflation.

The sharemarket had fallen more than 12 points following a similar 14.7 point slide on Tuesday on fears that inflation would no longer be number one target. The market indicator, the all ordinaries index, ended 7.3 points lower at 1501.9.

Short-term interest rates have recently fallen on speculation that Canberra would ease monetary policy to combat unemployment, which is expected to soar from 9.9 per cent towards 11 per cent.

Markets were spooked by criticism of Mr. Kerin, including a comment by former Finance Minister Peter Walsh that he was too indecisive to take politically-difficult economic decisions.

Mr. Kerin replaced Paul Keating, who resigned on Monday after his bid to topple Prime Minister Bob Hawke failed when the left wing of the ruling Labor Party supported the incumbent.

Mr. Kerin told parliament that fighting inflation—currently at 4.9 per cent annually—remained a top priority.

"There will be no relaxation of our efforts to reduce inflation.

"We are in the business of getting inflation to the lowest possible level sustainable with the other goals for general good economic management," Mr. Kerin said.

One broker said the announcement that Westpac Banking Corp. had formed an "alliance" with AMP Society had mainly sparked the late market rally. Westpac shares ending four cents higher at 4.75 dollars.

"(Mr. Kerin's) comments about fighting inflation would not have done any harm," he said. "Overseas will probably be standing aside to see which way Mr. Kerin jumps."

Ninety-day bank bills were steady at 10.2 per cent while 10-year bonds fell from 10.9 per cent on Tuesday to finish at 10.8 percent, still half a percentage point higher than before Mr. Keating launched his challenge last Thursday.

"There is concern that Kerin will be looser on the budget and a bit more panicky if unemployment goes up," said one bond dealer.

The dollar closed at 75.95 U.S. cents compared to 76.05 U.S. cents previously.

Mr. Walsh said on radio late Tuesday that Mr. Kerin faced a difficult transition from primary industries minister to treasurer because of his personality.

"The treasurer's job is a job where you have to be decisive," he said. "That is not in John's personality."

Mr. Walsh, a member of the party's right wing, said the left could use its greater influence to push for more government spending on infrastructure as a way out of recession.

"Any attempt to kick start the economy through housing, hospitals and unfunded public infrastructure may produce a short term revival but at greater long term cost," Mr. Walsh said.

Opposition Leader Views Military Reorganization
BK3105073991 Melbourne Radio Australia in English 0500 GMT 31 May 91

[Text] Australia's federal opposition has condemned the far-reaching restructuring of the country's defense force announced by the government. It claimed that the reorganization is based on the 1987 policy document and fails to take into account the dramatic changes that have taken place since then in regional and international security.

The opposition leader, John Hewson, says the changes outlined by the Government are instead driven by budgetary considerations. Dr. Hewson says the changes will

contribute to a continuing reduction in the operational readiness and overall effectiveness of Australia's Defense Force.

He said the decision, for instance, to cut the number of the regular Army combat battalions from six to four is a dangerous mistake. Dr. Hewson says six Army battalions is the minimum viable number needed to be able to deal at short notice with a low-level insurgency style conflict in northern Australia.

The opposition leader has also criticized the government's plans to create a reserve force known as the Ready Reserve with funds saved by cutting full time defense personnel numbers by 10,000 over the next 10 years. He said there are real doubts about how effective the proposed Ready Reserve would be and instead the Government should be addressing the problems of the existing reserves.

New Zealand

Government To Donate Money for Cambodian Relief
BK0606011691 Hong Kong AFP in English 0033 GMT 6 Jun 91

[Text] Wellington, June 6 (AFP)—New Zealand will give 500,000 New Zealand dollars (291,550 U.S.) for relief work in Cambodia, Foreign Minister Don McKinnon said Thursday.

Mr. McKinnon said New Zealand had given aid to Bangladesh and the Kurds.

"But there is a long-term disaster going on much nearer to us," he said. New Zealand's aid would be directed at programmes run by the Red Cross, the World Food Programme and the United Nations Border Relief Operation.

Foreign Minister Welcomes Apartheid Laws Repeal
BK0606012491 Hong Kong AFP in English 0035 GMT 6 Jun 91

[Text] Wellington, June 6 (AFP)—New Zealand Foreign Minister Don McKinnon Thursday welcomed news that the South African parliament had voted to repeal two apartheid laws, the Group Areas Act and the Land Acts.

"The repeal of these racist laws marks a watershed in South Africa's history," Mr. McKinnon said in a statement.

"The repeal of these acts leaves only one remaining pillar of apartheid, the population registration act, which enforces race classification at birth."

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obtaining Prime Minister Toshiki Kaifu's consent will seek a Cabinet decision on the paper around the middle of July.

With regard to the future of the SDF now that the Cold War has ended, the white paper, while stressing the significance of the dispatch of Japanese minesweepers to the Persian Gulf, says that discussions should take place about whether the SDF should play an active role abroad as part of the nation's contribution to international efforts.

The SDF was originally formed on the understanding that it was purely defensive in nature.

The section of the paper that calls for SDF action as part of the country's contribution in the wake of the Gulf war is drawing attention, but there are also some who claim that the emphasis on an international contribution is too strong at the present time.

This is because the direction in which the United Nations peacekeeping operations bill was expected to go is changing all the time, and it could mean that the SDF would have to conduct peacekeeping operations in addition to its original role as a purely defensive military force.

For this reason, the paper notes that a special government ordinance was needed to allow to dispatch of SDF C-130 transport planes to the Middle East.

The white paper not only notes this significance, but introduces the actions of the Japanese minesweepers that have been sent to the Persian Gulf saying, "(the action) will secure the safe passage of Japanese shipping, and is connected with the international contribution in human terms."

It also notes that the dispatch of minesweepers has "provoked discussions on the role the SDF could play in international contributions," and points out the need for vigorous discussions on what position the new international contribution should take in the role of the SDF in addition to its original duties.

Concerning the Soviet Union, the paper claims that the direction in which perestroika is heading has become even harder to discern, and points out that the quality of Soviet forces located in the Soviet Far East is being improved.

The paper once again indicates a strengthened sense of caution in connection with the USSR, despite the fact that in last year's paper references to the "submerged threat" posed by Japan's massive neighbor were absent.

Guidelines for Minesweeper Refueling Drafted

OW0406114491 Tokyo ASAHI EVENING NEWS
in English 3 Jun 91 p 1—FOR OFFICIAL USE ONLY

[Text] The Defense Agency has drafted guidelines authorizing the Maritime Self-Defense Force [MSDF] minesweepers in the Persian Gulf to refuel American and other foreign minesweepers at sea in emergency cases and to use small firearms for self-defense if the Japanese ships come under attack, according to agency officials.

The officials disclosed that Taosa Ochiai, commander of the MSDF fleet in the gulf, was told in his meeting with U.S. Navy officers Saturday that minesweepers from various foreign countries have been refueling each other when there is rough weather.

They said the agency had decided that since the MSDF gulf mission was a peacetime operation, it would be natural for the fleet to comply if it received a request for refueling.

The permission for the MSDF fleet to refuel foreign minesweepers in the gulf is likely to stir a controversy in connection with the question of Japanese logistical support for U.S. forces or a United Nations peacekeeping force.

During Diet deliberations last year on a U.N. peace cooperation bill, which was scrapped later, Foreign Minister Taro Nakayama said what the government had in mind as the MSDF's role under the legislation was to provide supplies to the warships of the anti-Iraq multinational forces in the gulf. This was criticized by the opposition parties as integrating the MSDF with the use of force in violation of the constitution.

Officials of the Defense Agency said that while what was proposed at that time was a wartime role, there should be no problem about refueling foreign minesweepers in peacetime. They said such help can be justified as an act of camaraderie.

But analysts pointed out that since the U.S. military had been eager about concluding a Japan-U.S. mutual logistics support agreement, the refueling cooperation in the Gulf could provide an opening for the expansion of bilateral logistical support.

The guidelines take the stand that an attack on the Japanese minesweepers is not anticipated. Nevertheless, the Defense Agency, in view of a reported May 21 attack on a U.S. warship in the Gulf by a craft of unidentified nationality, decided that the crew of the MSDF fleet could legally use small firearms in foreign waters for self-defense in averting dangers.

The permission for such action may be viewed as leading to a steady expansion of activities by the Self-Defense Forces abroad.

Agency To Step Up SDF Recruitment Efforts

OW0506141991 Tokyo MAINICHI SHIMBUN
in Japanese 3 Jun 91 Evening Edition p 1—FOR
OFFICIAL USE ONLY

[Text] To cope with serious difficulties in recruiting Self-Defense Force [SDF] personnel, the Defense Agency has decided to establish a "project team for recruitment measures" in the agency soon. The project team will take a drastic review of SDF personnel recruitment measures and strengthen them.

The team will make appeals to the educational and training functions of the SDF and, as a main feature of the recruitment measures, examine the introduction of a system, in which young company employees will join the SDF as members for a set period of time, in cooperation with private businesses. It will also actively promote enforcement of recruitment programs at public employment security offices and in television advertisements. Heretofore, the agency has had difficulty in taking part in recruitment programs at public employment offices.

According to a Defense Agency source, the proposed project team will be comprised of active duty officers charged with personnel affairs from the agency and the Ground, Maritime, and Air SDF. It will examine medium- and long-term recruitment measures for a year. Against the backdrop of this decision are the difficulties in securing personnel because of a business boom and a serious recruitment difficulty arising from the current trend of aversion to the so-called three-K occupational categories [kitsui or tough, kitanai or dirty, and kiken or dangerous].

The rate of personnel replenishment in 1991 was 84.5 percent for the Ground SDF (authorized strength: 180,000), 94.5 percent for the Maritime SDF (authorized strength: 46,520), and 94.5 percent for the Air SDF (authorized strength: 47,967) respectively. The rate is particularly low for the Ground SDF. It is being pointed out that a so-called "pole-and-line fishing formula" of recruitment conducted by personnel of SDF local liaison offices at 50 sites across the country, has come to its limit.

The proposed tie with private companies, to be examined by the project team, targets male members in the rank of private second class, seaman, or airman 3rd class, who account for 80 percent of the members to be recruited. The plan calls for recruiting SDF members from private businesses and sending them back to the businesses upon completion of their term of service. The current term of service is two years in the Ground SDF and three years in the Maritime and Air SDF. However, the agency plans to inaugurate a special one-year course to cope with the difficulties.

A senior Defense Agency official has said: "This is entirely in the conceptional stage but businesses have many employees who wish to join SDF for experience. Businesses have high expectations of the educational and

training functions of the SDF. If the term of service is set at about one year, there will be enough personnel to gather. It will conform with the needs of both businesses and the SDF."

Agency Considers Corporate Tieups for SDF

OW0506203891 Tokyo MAINICHI DAILY NEWS
in English 4 Jun 91 p 1—FOR OFFICIAL USE ONLY

[Text] The Defense Agency is considering a plan to establish tieups with private companies and hire young corporate employees as recruits for one-year terms of duty in the Self-Defense Forces to meet their manpower requirements, agency officials revealed Monday.

The agency will shortly establish a special recruiting team comprised of Defense Agency officials and personnel managers from the Ground, Maritime and Air Self-Defense Forces [G, M, ASDF].

The recruiting team's task will be to formulate mid- and long- term recruiting policies over a one-year period.

In a break with tradition, the agency will also mount an aggressive television advertising campaign, and recruit in public employment offices, which have been renamed "Hello Work" centers.

The Defense Agency had been forced to adopt new methods because of the severe labor shortage, and the younger generation's tendency to avoid so-called "3-K" (kiken, kitsui and kitanai) jobs, best translated as the "3-Ds" (dangerous, difficult and dirty).

For fiscal 1991, the GSDF, which has 180,000 personnel, was only able to fulfill 84.5 percent of its manpower requirement; the MSDF (46,520 members) achieved 94.5 percent of its requirement goals and the ASDF (47,967) also achieved 94.5 percent.

GSDF recruiters fell considerably shy of their target, despite having the services of 50 liaison offices located across the nation.

The poor performance has revealed the limitations of the one-on- one approach to recruiting, according to observers.

The Defense Agency would like to use corporate tie-ups to help meet quota of privates and other enlisted personnel, who constitute 80 percent of recruits.

Recruits from the private sector would return to their firms after a year of SDF service, unlike current enlistees, who are obligated to serve two years in the GSDF and three years in MSDF and ASDF.

"At present, there are many aspirants in corporations who would like to enter the SDF on a trial basis and have high expectations of the educational and training functions of the SDF. If the team were reduced to around one

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year, people will join, and the needs of corporations and the SDF will come together," said a high-ranking Defense Agency official.

The recruiting problem is so severe that the Defense Agency is even considering reducing the troop strength of the GSDF below the current level of 180,000.

To avoid a personnel crisis and to compensate for unfavorable future demographic trends, the SDF will have to implement changes immediately.

The number of males over 18 and under 27 years, who provide the bulk of recruits, will peak at around 9 million in 1993, and then begin to decline.

While there are about 1 million 18-year-olds in 1991, there are expected to be only 700,000 in 2003.

The Defense Agency has also been concerned about the decline in the quality of recent recruits, and tie-ups with the private sector will enable the services to secure more high-quality recruits.

However, some agency officials have stressed that precautions be taken so that the new recruiting system not become a disguised system of conscription.

It will also be necessary to safeguard the rights of young company employees to choose their own occupation.

LDP Split Over SDF Peacekeeping Role

OW0406123491 Tokyo MAINICHI DAILY NEWS
in English 3 Jun 91 p 1—FOR OFFICIAL USE ONLY

[Text] Top Liberal-Democratic Party officials have been spurred into voicing their opinions on the issue of Self-Defense Force participation in the United Nations peacekeeping force by the pronouncement of former Finance Minister Kiichi Miyazawa, to the effect that such participation would be impossible under the present Constitution.

On Saturday, Michio Watanabe, former LDP Policy Affairs Research Council chairman, said that if SDF participation in U.N. peacekeeping operations was impossible under the current Constitution, then "there's no other way but to amend the Constitution."

Ichiro Ozawa, former party secretary-general, went as far as to claim that the Constitution does not in fact forbid SDF participation.

Former State Minister Toshio Komoto stressed his feelings that the SDF should take part in efforts to aid countries that have suffered disasters.

With this wide range of opinion, the discussion within the LDP on the issue is likely to become heated, according to political analysts.

The sudden flurry of public announcements on the issue was set off by Miyazawa during a speech in Fukuoka Prefecture on May 25.

In reference to contributing to U.N. peacekeeping operations, he said, "It would be difficult for the SDF to take part as members of the U.N. peacekeeping force in terms of the interpretation of the Constitution. Their role should be limited to one of support only."

It was the first time that a leading LDP politician had touched on the restraints posed by the Constitution and stated an opinion that Japan should cooperate in U.N. peacekeeping operations.

In contrast, Watanabe, lined up with Miyazawa as a candidate for LDP president this August, made a speech in Mito City, Ibaraki Prefecture, in which he said, "Participation in the U.N. peacekeeping forces does not constitute the use of force as a sovereign right of the nation (which is forbidden by the Constitution).

"If the participation of the SDF cannot be made to fit the Constitution through interpretation, then there is no alternative to changing the Constitution until such participation does fit it," he said.

Of the opinion that an examination of the possibility of revising the Constitution was necessary, it was almost a direct counterattack against Miyazawa's tough declaration that participation in the U.N. force was "impossible" under the Constitution.

On the same day, Ozawa visited Toyama City and said in a speech that, "Article 9 of the Constitution should be interpreted as meaning that the government on its own cannot simply decide to dispatch troops.

"On the other hand, the Constitution's main idea is to preserve peace in the entire world," he said, indicating that he believed SDF action within the framework of the U.N. is the role Japan should play.

In Asahikawa City, Hokkaido, the same day, Komoto told pressmen that he thought the SDF should be sent to do relief work in Bangladesh, which has suffered a series of natural disasters.

Official Notes DPRK Nuclear Proliferation Issue

OW0406063991 Tokyo MAINICHI SHIMBUN
in Japanese 28 May 91 Morning Edition p 3—FOR OFFICIAL USE ONLY

[Text] The second United Nations Kyoto Conference on Disarmament Issues, which started on 27 May at the National Kyoto International Hall, opened its second general meeting in the afternoon with the theme "Universal Security, Disarmament, and Regional Approach." Delegates from four nations—Japan, Germany, Norway, and India—delivered keynote reports. Hisashi Owada, deputy vice minister of foreign affairs, in pursuance of the opening address by Prime Minister Kaifu, pointed out that nuclear proliferation is the most serious problem threatening security in the Asian region. He expressed his apprehension by pointing to the DPRK as an example.

Deputy Vice Minister Owada, first of all, said: "With the end of the cold war, it has become impossible for the great powers alone to nip regional conflicts in the bud, and the roles of West Europe and Japan are becoming increasingly important." He made it clear that through normalization talks, Japan would work on North Korea that hitherto has not accepted nuclear inspection of IAEA (International Atomic Energy Agency), in order to prevent nuclear proliferation in Asia.

As for cooperation with the United Nations peace-keeping operations (PKO), Deputy Vice Minister Owada said, "Consensus is in the offing at the government and private levels that the best possible ways and means must be explored and found," making it clear that Japan is for positive contribution to the PKO.

Besides, Jasujitto Singh [name as published], director of the Indian Institute for National Defense Research and Analysis, called for discussion with a broad perspective and said, "There were conflicts between India and Pakistan even when they only had a division-strong army. It is a prerequisite to uproot sources of conflicts, in addition to discussing arms control."

Tokyo To Submit Resolution to IAEA on DPRK

*OW0506142891 Tokyo YOMIURI SHIMBUN
in Japanese 5 Jun 91 Morning Edition p 1—FOR
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[Text] The government on 4 June decided to submit a draft resolution to the International Atomic Energy Agency (IAEA, with its headquarters in Vienna), which calls for acceptance of nuclear inspections by the DPRK (North Korea), jointly with other member countries. The decision was made at a time when North Korea's refusal to accept nuclear inspections constitutes a big obstacle to Japan-North Korean normalization talks.

North Korea has recently announced that it would reopen talks with the IAEA on acceptance of inspections under an agreement on guarantee measures. However, many strongly doubt if this announcement will actually lead to acceptance of inspections. For this reason, the government, as a Foreign Ministry source discloses, decided to "have the draft resolution adopted at a council meeting and thus increase international pressure on North Korea and lead to acceptance of inspections at the resumption of talks with the IAEA." The decision is aimed at pressing demand for North Korea's acceptance of nuclear inspections at Japan-North Korea normalization talks as well, using the resolution as leverage.

The Japanese Government plans to begin making approaches to other council members (35 in all) at a council meeting opening on 10 June and submit the draft resolution as soon as their consent is obtained.

In content, the draft resolution is expected to criticize sternly North Korea's posture, saying, "The failure to conclude an agreement with the IAEA on guarantee

measures is an act of downgrading the authority of the Nuclear Nonproliferation Treaty (NPT)."

According to the same Foreign Ministry source, as many as 15 member nations out of a total of 35 have made statements criticizing North Korea at council meetings in the past. Other member countries including the United States, Australia, and Canada have indicated their intentions to submit the draft resolution. Hence, it is believed that there is a good chance for the draft resolution to be adopted at the council meeting.

Kanemaru Promises Kaifu To Help Serve Out Term

*OW0506042591 Tokyo TOKYO SHIMBUN
in Japanese 4 Jun 91 Morning Edition p 2—FOR
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ONLY*

[Text] It was learned on 3 June that Prime Minister Kaifu held a secret meeting with Shin Kanemaru, former deputy prime minister and chairman of the Takeshita faction in the ruling Liberal Democratic Party [LDP], in a Tokyo hotel on 1 June. During the meeting, Mr. Kanemaru told Prime Minister Kaifu that he would invariably support the Kaifu government until the prime minister's term expires. The two had an in-depth exchange of views on ways of promoting political reform and the current political situation in Japan.

The secret meeting was held at the strong request of the prime minister. During the meeting, the prime minister expressed his gratitude to Mr. Kanemaru and the Takeshita faction for their support for the party's decision on the outline of a bill related to political reform and said that he was firmly resolved to work hard for political reform, asking for Mr. Kanemaru's cooperation in convening an extraordinary Diet session at the earliest date. In response, Mr. Kanemaru expressed his intention to cooperate in calling the Diet session and asked the prime minister to stand in the forefront of building a party consensus to that end. Of late, some officials within the government and the LDP are arguing that Japan should partially open its rice market to foreign rice suppliers after watching the domestic political situation and moves by the United States and the European Community (EC) to reduce their farm protective measures. At the meeting, the two are said to have discussed various ways on how the government would deal with the issue of opening the Japanese rice market to foreign rice suppliers.

Rifts Seen Between LDP, Business Community

*OW0606003391 Tokyo MAINICHI DAILY NEWS
in English 4 Jun 91 p 6—FOR OFFICIAL USE ONLY*

[By Akio Kaminishi, MAINICHI SHIMBUN managing editor]

[Text] The ruling Liberal-Democratic Party [LDP] and the business community have long been in an unbreakable coalition.

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But there are signs that some cracks have developed in this monolithic partnership.

A recent dispute between the LDP and the Japan Association of Corporate Executives (Keizai Doyukai) over the political leadership of the ruling party illustrates the deepening rift.

The newly appointed president of the organization of leading companies, Masaru Hayami, chairman of Nissho Iwai Corp., in his first press conference as president, took the party to task.

"The yen is undervalued against the dollar considering the strength of the Japanese economy. That's because Japan's politics and its economic and foreign policies are not trusted. The lack of philosophy on the part of Japanese politicians has fermented the distrust in the Japanese currency," he said.

Vice presidents who were at the conference concurred in unison.

Ryuzaburo Kaku, chairman of Canon, Inc., criticized the LDP for allowing former Prime Minister Yasuhiro Nakasone, who left the party after being implicated in the Recruit stocks-for-favor scandal surfaced [as received], to rejoin it.

"Allowing him into the party again even without carrying out the political reforms that it promised when the scandal rocked the leading figures in the party will just strengthen the public distrust in the politics," he said.

NKK Corp. President Yoshinari Yamashiro agreed. "We feel betrayed when we see one of the politicians involved in the scandal regain the party membership after only a few years while the pledge of political reforms remains unmet."

No Philosophy

The LDP drafted a plan for political reforms immediately before the Cabinet reshuffle last December. But little progress has been made since then.

As the plan's primary aim was to prevent the scandal-tainted members from getting into the new Cabinet, the drive for reforms naturally lost momentum after the objective was met.

NKK's Yamashiro argues the reforms will never be conducted by party members who have direct interests in the affair.

Canon's Kaku observed, "the crux of the matter is that the LDP does not have the proper people to do the job."

Toshikai Yamaguchi, president of Tosoh Corp., also had some remarks about the issue.

"The politicians who should be leading politics do not have leadership abilities or political philosophies of their own. But neither can old guards who are past their prime be expected to improve the situation."

The barrage of criticism from business leaders incurred the LDP's wrath.

The day after the conference, Takeo Nishioka, chairman of the party's executive council, demanded the withdrawal of the Doyukai remarks or the holding of an open debate with the party.

The party leaders were infuriated especially by the charge that they are trying to reinstate the party members who left the party amid the turmoil caused by the scandal without following through on the promised political reforms.

Nishioka was reportedly enraged by the remarks that Japanese politicians have no philosophy of their own.

"None of these statements are based on facts," he reportedly said in calling for a withdrawal of the remarks.

"If you really meant what you said at the press conference, let's have an open debate over the issue," he said to Doyukai officials.

Doyukai Capitulates

Surprised at Nishioka's fury, Doyukai sent one of the vice presidents, Mitsuyoshi Kawai, to Nishioka's office to placate him.

Kawai told Nishioka that the remarks by the Doyukai officials at the press conference were meant only to spur early reforms.

Nishioka, however, refused to be mollified.

Eventually, the Doyukai knuckled under. President Hayami held another press conference and said the organization was willing to withdraw the remarks, calling them "improper."

"I regret the impolite remarks," he said in way of an apology to the LDP.

Before the press conference, Kawai phoned Nishioka and told him that Hayami's words mean the Doyukai had withdrawn the remarks.

Hayami's apology apparently softened the LDP, and a satisfied Nishioka said, "I have said what I had to say."

The LDP and the business circles have, for better or for worse, closely cooperated in building the foundation of postwar Japan.

It was unimaginable even a few years ago that there could be any serious rift between the two.

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But signs of disparity began to appear immediately after the House of Councillors election in July 1989, in which the LDP suffered a bitter defeat.

Strong concerns over the LDP's ability to govern the nation in the increasingly difficult political climate began to surge among business leaders at that time.

The most vocal critic of the LDP in the business world has been the Doyukai.

In particular, then President Takashi Ishihara, chairman of Nissan Motor Co., pulled no punches in excoriating the party bosses.

He called for the resignation of then Prime Minister Noboru Takeshita and criticized the party for its handling of China's bloody crackdown on prodemocracy students in Tiananmen Square.

Ishihara also led Nissan's support to the candidates in the opposition camp in the Lower House election.

Ishihara's revolt contributed, at least partly, to the defeat of the party.

And the LDP top brass called him the principal culprit for the devastating defeat.

The Doyukai's latest criticism of the LDP's politics smacked of tit for tat.

Although the Doyukai bowed to the LDP in the dispute, some Doyukai officials refused to shut their mouths on the issue.

Yamaguchi said he received a number of letters and phone calls, encouraging him to keep criticizing the party.

"I let the Doyukai executive body handle the row since I thought a mere war of words was futile. But I received many phone calls saying the Doyukai should not withdraw the remarks."

Hayami also said, "It is not that we yielded to pressure. We just wanted to solve the misunderstanding. We will not stop speaking out about politics although we will choose our words more carefully."

These words, uttered from the mouths of business moguls, could auger a major change in the relations between the LDP and its staunchest supporter, big business.

Abe Faction Official Interviewed on Election

*OW0506094391 Tokyo ASAHI SHIMBUN
in Japanese 4 Jun 91 Morning Edition p 4—FOR
OFFICIAL USE ONLY*

[Interview with Hiroshi Mitsuzuka, secretary general of former Abe faction in the ruling Liberal Democratic

Party, by unidentified ASAHI SHIMBUN reporter; place and date not given; from "Toward Autumn" column"]

[Text] [ASAHI SHIMBUN] As secretary general of the former Abe faction in the ruling Liberal Democratic Party [LDP], you are in charge of running the faction. How do you plan to lead it in the future, following the death of Mr. Shintaro Abe?

Mitsuzuka: I will place foremost priority on unity within the faction. I am trying hard to hold the Seiwakai (the former Abe faction) together.

[ASAHI SHIMBUN] It is said that you and Mutsuki Kato, chairman of the LDP Policy Affairs Research Council, are having a "Mitsuzuka-Kato war." What to you think?

Mitsuzuka: In the past, there were differences between us over plans for reconstructing the National Railway. However, he is one of my colleagues. He and I backed Mr. Abe together. There is nothing between us that could lead to a split in the faction.

[ASAHI SHIMBUN] Masajuro Shiokawa; Yoshiro Mori, chairman of the Steering Committee of the House of Representatives; Mutsuki Kato and you are called "the Four Divas" in the faction. Are there any differences among them over the faction's strategy?

Mitsuzuka: There are a few differences in their ways of thinking.

[ASAHI SHIMBUN] Would you elaborate on what you just said?

Mitsuzuka: There are differences among them on over how to transfer the present collective leadership system in the faction to a chairmanship system. Junior faction members are voicing the need to elect a new chairman of the faction at the earliest date. Almost all of the faction members are maintaining that "at this crucial time, it is necessary to elect a new chairman of the faction to run it smoothly."

[ASAHI SHIMBUN] Junior faction members are said to be backing you as chairman.

Mitsuzuka: There are various opinions among the faction members. I am telling them: "I am running the faction with the foremost priority given to holding it together. I would like to ask for your cooperation in my running of the faction."

A new faction leadership was established shortly after 17 May (when a Yamaguchi Prefectural funeral service was held for the deceased Abe). A new faction executive will be formed and then the faction will choose a candidate for the LDP president. An LDP study meeting, scheduled to be held in autumn, will kick off an election campaign for the LDP president.

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[ASAHI SHIMBUN] Does your faction aim to field its own candidate in the LDP presidential election?

Mitsuzuka: Our faction, the second largest in the LDP, will certainly field a candidate in the election.

[ASAHI SHIMBUN] Is there a possibility that any faction member other than the faction chairman could be picked as a candidate for the LDP president?

Mitsuzuka: In principle, the faction chairman should be the candidate for the party president and this is a consensus within the faction.

[ASAHI SHIMBUN] What will happen to "the Abe-Takeshita coalition."

Mitsuzuka: Our faction has thus far backed Mr. Takeshita. This time however, we will ask for his cooperation with a party presidential candidate chosen by the Seiwa-kai. I think it will turn out this way.

[ASAHI SHIMBUN] Mr. Shin Kanemaru and other members of the Takeshita faction are saying that if other factions field their own candidates for the LDP president, they will also field their own candidates.

Mitsuzuka: Since the Takeshita faction is the largest in the LDP, it has a responsibility to field a candidate. I believe that since our faction and the Takeshita faction have maintained fraternal ties, talks between the candidates, chiefs of staff, and policy makers of the two factions are conceivable.

[ASAHI SHIMBUN] What is the possibility of your faction forming a coalition either with the Miyazawa faction, or with the Watanabe faction?

Mitsuzuka: Our faction has maintained the relationship of trust with the Takeshita faction through "the Abe-Takeshita coalition" and our faction should stick to the coalition in the future. This is a tacit understanding shared by the two factions.

[ASAHI SHIMBUN] How do you assess the Kaifu government?

Mitsuzuka: All is well that ends well. The Kaifu government is doing everything in its power to fulfill its public commitment to reform politics. The government is firmly resolved to fulfill the commitment and I rate the Kaifu government highly.

[ASAHI SHIMBUN] There is a criticism by people inside and outside the party that the LDP intends to hold the presidential election, leaving the issue of political ethics intact.

Mitsuzuka: The next cabinet will take over tasks left by the Kaifu Cabinet. A new prime minister and concurrently the LDP president with extraordinary competence and strong leadership will form a new cabinet and then run the government and the party, while holding them together.

[ASAHI SHIMBUN] Voices are heard that former Prime Minister Takeshita's return to power may be one of the options. What do you think?

Mitsuzuka: Regarding the question of Mr. Takeshita's return to power, I will think of it if and when a consensus on the question is built within the party.

Mitsuzuka 'Most Likely' To Take Over Abe Faction

OW0506090791 Tokyo NIHON KEIZAI SHIMBUN in Japanese 3 Jun 91 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Text] The Liberal Democratic Party [LDP] faction previously led by the late Shintaro Abe will reach the climax this week, in its choosing of the next faction leader, upon the initiative of Shun Hasegawa. The current situation indicates that Hiroshi Mitsuzuka, faction secretary, is most likely to succeed to the chairmanship. This is because presently, he has the strongest faction management leadership as the result of an "alliance" with Yoshiro Mori, chairman of the Lower House Committee on Rules and Administration, and because he is gaining support from the majority of the faction's middle-ranking and younger members.

However, Mutsuki Kato, chairman of the LDP Policy Research Council who has been regarded as Mitsuzuka's main rival so far, is reacting strongly against this mood. Kato is now actively maneuvering behind the scenes, supporting Chief Faction Manager Seijuro Shiokawa as a candidate, to stem the rise of Mitsuzuka. Since there are strong voices concerning the serious conflicts within the faction, it is still uncertain whether or not the faction will accelerate the move toward "Chairman Mitsuzuka."

On 30 and 31 May, Hasegawa met separately with 12 dietmen who serve as senior advisors or management officials in the faction. At least three members, including Mori, recommended Mitsuzuka as the next faction chairman, and Kato was the only person who strongly recommended Shiokawa. Most of those leaders noted that they should avoid a dissolution of the faction, and the maintainance of faction unity should be the primary concern. In addition, some of them said that they would "leave the final decision to Mr. Hasegawa."

Shiokawa is a 69 year-old dietman who has experienced nine general elections. In view of his age and experience as a dietman, he is regarded as the superior among "the four major leaders" of the faction, consisting of Shiokawa, Kato, Mori, and Mitsuzuka. Some faction members support Shiokawa's promotion to chairman as a "peacemaker" for the time being, because he is "not obsessed by political ambitions" (as a younger faction member said). However, many middle-ranking and younger members are worried about Shiokawa's health as he had surgery for gastric cancer last year, and are expressing the hope for a "non-provisional chairman" taking the upcoming LDP presidential election into account. Therefore, Mitsuzuka is obtaining majority

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support, especially since the younger leader Mori gave way to him and is seeking closer ties with him.

Many middle-ranking and younger members' support for Mitsuzuka is so strong that they expressed great reaction against a rumor that former Prime Minister Fukuda, who founded the faction, had clarified his support for Shiokawa's promotion. While the above-mentioned senior members and faction managers were expected to express their deep-rooted resistance to the promotion of less-experienced Mitsuzuka, with only seven victories in elections, they expressed neither obvious opposition to Mitsuzuka nor particular support for Shiokawa in meetings with Hasegawa. This fact is likely to turn to Mitsuzuka's profit. A faction manager who met with them as Hasegawa assistant indicated: "I felt that they began to show a certain trend."

However, Kato and his supporters still intend to do their best to check "Chairman Mitsuzuka." Kato is strongly insisting on the promotion of Shiokawa as a second-best measure for him; because he thinks that it would be difficult for him to stand for the faction chairmanship while he is playing a key role in the party as the LDP Policy Research Council chairman. Kato believes that if he can carry on the competition with Mitsuzuka until the members fear the risk of the faction breaking up, then they would call a draw in the chairmanship race and the chairmanship would go to Shiokawa who "has no enemies in the faction" (as Kato's close associate said). Kato and his supporters are trying their best to split pro-Mitsuzuka members, calling for cooperation from former Transport Minister Shintaro Ishihara, who has a certain amount of support from younger members in connection with his activities as the leader of an intra-faction group "the Dawn Club [Reimei-no-Kai]."

While many people believe that Ishihara has close relations with Mitsuzuka, Ishihara's course of action is uncertain because he may run independently for the LDP presidential election himself. On the other hand, faction members are carefully watching if Shiokawa will form the "Shiokawa-Kato axis" to fight against the "Mitsuzuka-Mori alliance" in return for Kato's support for him, because he is believed to dislike Kato personally.

Extension for Kaifu's Presidential Term Viewed

OW0506082691 Tokyo SANKEI SHIMBUN
in Japanese 2 Jun 91 Morning Edition p 2—FOR
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[Text] Former State Minister Toshio Komoto visited Asahikawa city in Hokkaido to give a lecture. At a news conference held in Asahikawa on the afternoon of 1 June, Mr. Komoto touched on the issue concerning the extension of Prime Minister Toshiki Kaifu's term as president of the Liberal Democratic Party [LDP], which will expire in late October, and said: "The prime minister himself has stated that he has not thought about anything after that (the expiration of the term). In my understanding, what he means is that he will quit when

the term expires." Thus, he denied the possibility of an extension of the prime minister's term, which has been much talked about.

Prime Minister Kaifu is now intensely devoting himself to the task of carrying out political reform. However, there are concerns within the LDP that Prime Minister Kaifu is trying to strengthen the basis of his political power through political reform. Therefore, it has been observed that in making the above-mentioned remarks, Mr. Komoto must have decided that from his position of supporting Prime Minister Kaifu, it would be necessary to stress the approach of calming down such an atmosphere within the party first, and then tackling important tasks so as to prepare for the future political situation.

In this connection, Mr. Komoto also stated his views on the timing of the convening of the extraordinary Diet sessions, and said: "The prime minister has stated that it should be held as soon as possible following his return from the industrialized nations summit talks (London summit scheduled from 15 to 17 July). Therefore, his diplomatic schedule following the summit will have to be readjusted." Thus, Mr. Komoto indicated that the extraordinary Diet sessions will probably be convened in early August, and that the prime minister's visits to China and Mongolia may possibly be postponed.

Hitachi Develops Fastest, Smallest SRAM

OW0306230591 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 30 May 91 Morning Edition p 11—FOR
OFFICIAL USE ONLY

[Text] Hitachi, Ltd. has developed a Static Random Access Memory [SRAM] (input and output memory that does not require memory keeping action) for large computers. It is equipped with high integration and high-speed capabilities and is the world's fastest silicon memory with small memory cell. Reportedly, the new memory is capable of realizing high integration; more than quadruple the ability as compared with super high-speed SRAMs developed so far. Hitachi, Ltd. thinks that the new SRAM will become a mainstream memory for large and high-speed computers.

The size of the experimentally produced SRAM is 3.5 by 5 microns (one micron is one-1000th of a millimeter), and it has 64 kilobit integrated memory cells. The time needed for readout is 1.5 nanosecond (one nanosecond is one billionth of one second), which is 10 to 20 percent faster than the super high-speed SRAMs developed so far. The area of the memory cell is 78 square microns. This makes the new SRAM the smallest super high-speed SRAM in the world.

Currently, two types of SRAMs—super high-speed memory, which is superior in speed but low in integration, and highly integrated medium-speed memories—are used in large computers. The newly developed SRAM has the strong points of the super high- and medium-speed memories.

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Mongolia

Prime Minister Interviewed on Economic Measures

OW0506132891 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1030 GMT 5 Jun 91—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, June 4. (OANA-MONTSAME)—The Mongolian Democrats' weekly "ARDCHILAL" ("DEMOCRACY") carries an interview of its correspondent with B. Byambasuren, MPR [Mongolian People's Republic] prime-minister, answering the questions about reasons for economic crisis in the country. The premier states that Mongolia was purchasing not only techniques, but making capital investments and purchasing consumer goods by means of foreign credits, in other words the country's economy acquired dependent character, became incapable for self reproduction. He says that the economic decline will continue for 2-3 years till we learn how to live within the limits of own potentialities.

B. Byambasuren considers that the way of taking the country out of crisis is the transition to market economy, which makes persons to raise their responsibility. The MPR Government is intending to take steps on speeding up the privatization of property, shifting prices to market regulation, except the prices on the main goods of everyday use and fixing the rate of the national currency [word indistinct] of the market economy.

B. Byambasuren stresses the importance of the law on economic units, adopted recently, measures taken on the introduction of special order in the basis branches of economy, and mobilization of efforts on the development of the priority branches including oil extraction. According to the premier the draft of the government programme of modernization of techniques and technology of enterprises and organizations is already worked out, as in his view for raising the country's economy highly qualitative and competitive products should be produced. [sentence as received]

Foreign credits made up 30-40 per cent of the national income. The economic decline will reach the same figures till we have to realize fully the necessity of it in order to chose the right orientation for further development of the country, says B. Byambasuren.

Vice Premier Pays 'Unofficial Visit' to Italy

OW0506130191 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1015 GMT 5 Jun 91—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, June 4. (OANA-MONTSAME)—D. Dorligjab, MPR [Mongolian People's Republic] vice premier, has paid recently an unofficial visit to Italy. During the visit D. Dorligjab was received by the Foreign relation Ministry general secretary and the foreign trade deputy-minister of Italy. They have exchanged their views on bilateral relations.

New Bank Outlines Shareholder Conditions

OW0606033891 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1037 GMT 5 Jun 91—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, 4 Jun (MONTSAME)—The first in Mongolia the Auction Peoples Bank started its activity. [sentence as received] About 40 organizations are the founders of the new bank. Any citizen of the country can become a share-holder of the bank. The Peoples Bank promises to work stable, be reliable and true to its financial partners under conditions of market economy.

The Auction Peoples Bank is the fifth one in Mongolia, along with the MPR [Mongolian People's Republic] Central Bank there are, for example, the Trade and Development Auction Bank, the Bank Mongol Daatgal (Mongol Insurance), the Bank of Investment and Technical Renovation.

Workers Protest at Central Trade Union Office

OW0506153391 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1055 GMT 5 Jun 91—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, 4 June (MONTSAME)—A group of workers from various factories of the capital city has today gathered at the building of the Central Council of the Mongolian Trade Unions on the square of D. Suhbaatar when the plenum of the Central Council was on.

The participants of the action demanded the trade union leaders to retire and to set up a "special fund of care" for lower income people using the means accumulated at the trade unions by their estimation, which equals to about 200 million tugrik. At the action some of the participants has collected signatures under the petition with the same demand. According to the participants this special fund in case if it is set up should function under the government control.

They also confirmed that they are not supported by not a single trade unions newly formed.

Journalists Demand Answers on Paper Shortage

OW0506145491 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1052 GMT 5 Jun 91—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, June 4. (OANA-MONTSAME)—Chief-editors, journalists of central newspapers and magazines gathered today at the Mongolian Journalists' Union demanded the MPR [Mongolian People's Republic] Government to provide urgent answer to their statement from 23d of May this year on the liquidation of the shortage of paper.

Journalists stated today that they not once addressed to the MPR Prime-Minister B.Byambasuren with a request to meet with them. But these attempts were not a success.

They stated that instead of purchasing sweets and fruits from abroad we should buy papers for newspapers. One can't help contemplating on the issue of only the newspaper "ARDYN ERH"—the central state organ, which alone can't serve as a voice of people. Thus it's necessary to issue other newspapers. In case the government didn't take decisive measures we'll use other forms of struggle, is said in the journalists' demand.

Memorial for Nobleman Handdorj To Be Set Up

OW0506153191 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1043 GMT 5 Jun 91—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, June 4. (OANA-MONTSAME)—A memorial board to perpetuate the memory of Tsing Vang (nobleman) T. Handdorj (1871-1915), outstanding state figure of the feudal Mongolia, one of the leaders of the national-liberation movement of 1911, will be erected in his native land—Bulgan Aymag. It was decided recently by the presidium of the Aymag People's Hural in support of the initiative of the local veterans' committee to celebrate the 120 birth-jubilee of T. Handdorj.

According to historical documents, T. Handdorj was an outstanding state figure, fighter for Mongolia's freedom and independence, diplomat and connoisseur of national culture and traditions. He, who had grown in a noble family, spoke Chinese, Manchurian and Russian languages. T. Handdorj was a foreign minister of the Bogdo-Khaans' monarchy.

First Issue of New Weekly Published

OW0506172491 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1032 GMT 5 Jun 91—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, June 4. (OANA-MONTSAME)—The first issue of the weekly "BIRJIIN MEDEE" "EXCHANGE HERALD" is published today. It's issued by the MPR [Mongolian People's Republic] central state organ—the newspaper "ARDYN ERH." According to the publishers, "BIRJIIN MEDEE" will provide its readers with true and current information on market, privatization of property and on exchange. The aim of the paper is to help its readers to start their own business, participate in auction sales. It will publish regularly the government official informations and also that of aymag and city commissions on privatization of property and stock centres.

The first issue of the weekly carries materials about exchange, how to found it and conduct its activity in conditions of Mongolia. The paper also publishes the temporary rules of organizing auction sales, making a list

of sales points, public catering and communal services' units, which will be sold by auction. Today there are the exchange centre, goods information exchange and the labour exchange in Mongolia, informs the weekly.

MONTSAME Reviews Press for 4 Jun

OW0506155191 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1028 GMT 5 Jun 91—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, June 4 (OANA-MONTSAME)—The Mongolian Democrats' newspaper "ARDCHILAL" ("DEMOCRACY") carries an interview of its correspondent with D. Byambasuren, MPR [Mongolian People's Republic] prime-minister, on the ways of taking the country out of crisis. He stresses that the country's economic decline will, presumably, continue for 2-3 years. The prime-minister explains it by the fact that the country lived not within reasonable limits of its real economic potentials, widely used foreign credits not only for purchasing techniques, but for capital investments and purchasing consumer goods. According to D.Byambasuren, first of all, transition to market economy should be made for coming through economic crisis. The prime-minister points out that the government is going to take complex actions on privatization of property, shift the prices on goods to market regulations, except the prices on the main goods of everyday need, fix the rate of the national currency relative to market economy and to encourage foreign investments.

G. Orsoo, senior scientific worker of the Institute of Economy, raises in his article published in the paper the problem of coming through goods shortage in the country. He considers that this problem can be solved by traditional methods of foreign trade and the increase of home production, which is to a large extent connected with difficulties the Soviet Union—the MPR's closest foreign trade partner—is facing now. Over 90 per cent of Mongolia's foreign trade turnover falls on the Soviet Union. G. Orsoo considers that it's necessary for Mongolia to enter free market zone, improve the quality of home products and activate the use of market potentialities. The paper carries an information of foreign contacts of the Mongolian Democratic Party and writes about the process of privatization of state property in the Eastern European countries.

"ALAG HORVOO" ("MIXED WORLD")—an informational supplement to the newspaper "MONGOLYN AJILCHIN" ("MONGOLIAN WORKER") is to publish home and foreign news, architectural designs for individual houses, photos and other materials about famous artists and sportsmen. The paper informs that it's going to lend support to lower-income families and children-orphan.

The first issue of the supplement publishes materials about the USSR KGB Major-General O. Kalugin, who was dismissed from the office because of contradictions with its leadership and later on elected the USSR

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ANNEX

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Supreme Soviet deputy, about the shooting of the two-serial film "Genghis Khan" by T. Okayev, Kirghis cinema producer in collaboration with the Italian film company, and other foreign news.

An architect T. Batbayar offers a design for a single-flat private house having a premise of over 60 sq. metres. According to the paper 10 of such designs for individual house are worked out and brought forward to consumers.

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